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## **ATTACHMENT K**

### **Transmission Planning Process**

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- Exhibit D: Form of Non-Enrolled Developer Agreement

## ATTACHMENT K

### Transmission Planning Process

#### Preamble

In accordance with the Commission's regulations, Transmission Provider's planning process is performed on a local, regional, and interregional basis. Part B of this Attachment K addresses the local planning process. Part C of this Attachment K addresses the regional planning process. Part D of this Attachment K addresses interregional coordination with the planning regions in the United States portion of the Western Interconnection.

The Transmission Provider is responsible for maintaining its Transmission System and planning for transmission and generator interconnection service pursuant to the Tariff and other agreements. The Transmission Provider retains the responsibility for the local planning process and Local Transmission Plan and may accept or reject, in whole or in part, the comments of any stakeholder unless prohibited by applicable law or regulation.

#### Part A. Definitions

##### 1. Definitions

The following terms have the following definitions when used in this Attachment K. Other initially capitalized terms used in this Attachment K shall have the meanings set forth in the OATT.

##### 1.1 Additional Regional Costs from Interregional Cost Allocation

*Additional Regional Costs from Interregional Cost Allocation* shall have the meaning set forth in Section 11.6, sub-sections (iii) and (v) of this Attachment K.

##### 1.2 Alternative Project

*Alternative Project* refers to any Sponsored Projects or ITPs (including those carried over from a prior Regional Transmission Plan and projects submitted by Merchant Transmission Developers), and unsponsored projects (a concept that includes Non-Transmission Alternatives and Conceptual Solutions), if any, including those identified by the Enrolled Parties Planning Committee.

##### 1.3 Annual Interregional Coordination Meeting

*Annual Interregional Coordination Meeting* means the annual meeting of the NorthernGrid Enrolled Region and other Planning Regions as set forth in Section 10.3 of this Attachment K.

##### 1.4 Annual Interregional Information

*Annual Interregional Information* shall have the meaning set forth in Section 10.2 of this Attachment K.

**1.5 Annualized Cost**

*Annualized Cost* means one of the following, as determined by the Cost Allocation Task Force: the Annualized Cost of a project that is not an ITP pursuant to Section 8.2.1 of this Attachment K; or the Annualized Cost of an ITP pursuant to Section 8.2.2 of this Attachment K.

**1.6 Assigned Regional Costs from Interregional Cost Allocation**

*Assigned Regional Costs from Interregional Cost Allocation* means, with respect to an ITP, the NorthernGrid Enrolled Region's assigned pro rata share of the projected costs of such ITP calculated pursuant to Section 11.6 of this Attachment K.

**1.7 Baseline Projects of Enrolled Parties**

*Baseline Projects of Enrolled Parties* means the transmission projects included in the Enrolled Parties' Local Transmission Plans plus those projects included in the prior Regional Transmission Plan that will be reevaluated (unless the Enrolled Parties Planning Committee has received or is aware that a project included in the prior Regional Transmission Plan has been cancelled or replaced, in which case the cancelled or replaced project will not be considered). Baseline Projects of Enrolled Parties do not include Committed Projects.

**1.8 Benefit**

*Benefit* means the benefits identified in Section 8.4 of this Attachment K that are calculated for an Enrolled Party associated with an Eligible Cost Allocation Project.

**1.9 Benefit-to-Cost Ratio**

*Benefit-to-Cost Ratio* means the ratio established in Section 8.5.2 of this Attachment K.

**1.10 Commission**

*Commission* means the Federal Energy Regulatory Commission or any successor entity.

**1.11 Committed Project**

*Committed Project* means a Sponsored Project or a local project for which the developer of such project has obtained substantially all federal, county, and state permits required for the development of the project.

**1.12 Conceptual Solutions**

*Conceptual Solutions* means projects or concepts that are developed from data or information provided in the Planning Cycle pursuant to Section 5.2 and that may be proposed pursuant to Section 5.2.3 of this Attachment K.

**1.13 Confidential Information**

*Confidential Information* means all information, regardless of the manner in which it is furnished, marked as “Confidential Information” at the time of its furnishing; provided that Confidential Information shall not include information: (i) in the public domain or generally available or known to the public; (ii) disclosed to a recipient by a Person who had a legal right to do so; (iii) independently developed by the receiving party or known to such party prior to its disclosure to Transmission Provider in connection with its local transmission planning process, or to NorthernGrid in connection with the regional transmission planning process; (iv) normally disclosed by entities in the Western Interconnection without limitation; (v) disclosed in aggregate form where specific identifying information is unidentifiable; or (vi) required to be disclosed by subpoena, law, or other directive of a court, administrative agency, or arbitration panel.

**1.14 Cost Allocation Methodology**

*Cost Allocation Methodology* means the Cost Allocation Methodology set out in Section 8.5.3 of this Attachment K.

**1.15 Cost Allocation Project**

*Cost Allocation Project* means a project selected into the Regional Transmission Plan that received cost allocation.

**1.16 Cost Allocation Task Force**

*Cost Allocation Task Force* means the Task Force that carries out cost allocation tasks assigned to such Task Force in this Attachment K according to the Cost Allocation Task Force Charter.

**1.17 Cost Allocation Task Force Charter**

*Cost Allocation Task Force Charter* means the document attached as Exhibit A to this Attachment K that defines the manner in which the Cost Allocation Task Force carries out the tasks assigned to the Cost Allocation Task Force in this Attachment K.

**1.18 Critical Energy Infrastructure Information (“CEII”)**

*Critical Energy Infrastructure Information* or *CEII* means information as defined in 18 C.F.R. § 388.113(c), as may be amended from time to time.

**1.19 Data Submittal Form**

*Data Submittal Form* means the form posted on the NorthernGrid Website that is to be used to submit data, including projects and project information for consideration and also updated project information, as discussed in Section 5.2 of this Attachment K.

**1.20 Draft Final Regional Transmission Plan**

*Draft Final Regional Transmission Plan* means the version of the Regional Transmission Plan that is developed pursuant to this Attachment K and presented for stakeholder comment pursuant to Section 9.2 of this Attachment K.

**1.21 Draft Regional Transmission Plan**

*Draft Regional Transmission Plan* means the version of the Regional Transmission Plan that is developed pursuant to this Attachment K and presented for stakeholder comment pursuant to Section 6.4 of this Attachment K.

**1.22 Economic Study Request**

*Economic Study Request* shall mean a written request for a Local Economic Study or a Regional Economic Study, submitted by an Eligible Customer or stakeholder to the Transmission Provider or NorthernGrid, as may applicable, in accordance with Section 12.3.a. of this Attachment K.

**1.23 Eligible Cost Allocation Project**

*Eligible Cost Allocation Project* is defined in Section 8.3 of this Attachment K.

**1.24 Enrolled Parties and States Committee**

*Enrolled Parties and States Committee* means the committee that carries out the tasks assigned to such committee in this Attachment K according to the Enrolled Parties and States Committee Charter.

**1.25 Enrolled Parties and States Committee Charter**

*Enrolled Parties and States Committee Charter* means the document attached as Exhibit C to this Attachment K that defines the manner in which the Enrolled Parties and the official representative of each State's government work together.

**1.26 Enrolled Parties Planning Committee**

*Enrolled Parties Planning Committee* means the committee, comprised of Enrolled Parties and the co-chairs of the Enrolled Parties and States Committee, that carries out transmission planning tasks assigned to such committee in this Attachment K according to the Enrolled Parties Planning Committee Charter.

**1.27 Enrolled Parties Planning Committee Charter**

*Enrolled Parties Planning Committee Charter* means the document attached as Exhibit B to this Attachment K that defines the manner in which the Enrolled Parties Planning Committee operates.



**1.28 Enrolled Party (or Enrolled Parties)**

*Enrolled Party* means a Person that has satisfied the eligibility requirements set forth in Section 4.2.1 of this Attachment K and completed the process set forth in Section 4.2.2 of this Attachment K to become enrolled in NorthernGrid. *Enrolled Parties* is a collective reference to each Enrolled Party.

**1.29 Enrolled Party Beneficiary**

*Enrolled Party Beneficiary* shall have the meaning set forth in Section 8.5.1 of this Attachment K. For avoidance of doubt, only an Enrolled Party may be identified as Enrolled Party Beneficiary. *Enrolled Party Beneficiaries* is a collective reference to each *Enrolled Party Beneficiary*.

**1.30 Enrolled Party Need**

*Enrolled Party Need* means any need for transmission facilities of an Enrolled Party, including any such need that is driven by reliability requirements, addresses economic considerations, or is driven by Public Policy Requirements. To the extent a transmission need is satisfied by a Committed Project, it shall not be considered an Enrolled Party Need.

**1.31 Enrolled Region**

“Enrolled Region” or “NorthernGrid Enrolled Region” is comprised of the existing or proposed transmission facilities of any Enrolled Party and any proposed transmission facilities for which a Non-Incumbent Transmission Developer has properly submitted a Request for Cost Allocation; *provided that* the Enrolled Region specifically does not include any existing or proposed transmission facilities in any Planning Region other than the Enrolled Region.

**1.32 Estimated Cost**

*Estimated Cost* means the estimated total capital costs of the project, that are submitted pursuant to row K of the table found in Section 5.2.3.5 of this Attachment K, as they may be updated pursuant to either Section 5.2.3.8 or Section 6.4 of this Attachment K.

**1.33 Funding Agreement**

*Funding Agreement* means the current version of the agreement among the Persons funding the activities of NorthernGrid that is required by Section 4.2.2 of this Attachment K. The Funding Agreement is available on the NorthernGrid Website.

**1.34 Interregional Cost Allocation**

*Interregional Cost Allocation* means the assignment of ITP costs between or among Relevant Planning Regions as described in Section 10 of this Attachment K.

**1.35 Interregional Transmission Project (“ITP”)**

*Interregional Transmission Project* or *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.

**1.36 Interregional Transmission Project Proponent**

*Interregional Transmission Project Proponent* or *ITP Proponent* means the entity that has signed a “Non-Enrolled *Developer Agreement*” in accordance with Section 4.2.4 of this Attachment K and is proposing or sponsoring an Interregional Transmission Project.

**1.37 Local Economic Study**

*Local Economic Study* is defined in Section 12.2.2(c) of this Attachment K.

**1.38 Local Transmission Plan**

*Local Transmission Plan* means a transmission provider’s plan (depending upon context, the Transmission Provider or an Enrolled Party) that identifies planned new transmission facilities and facility replacements or upgrades for such transmission provider’s Transmission System.

**1.39 Material Adverse Impact**

*Material Adverse Impact* means one or more significant and verifiable adverse impacts on any Neighboring System that needs to be mitigated if it reduces the transfer capability of existing transmission facilities.

**1.40 Merchant Transmission Developer**

*Merchant Transmission Developer* means an entity that proposes a Merchant Transmission Project.

**1.41 Merchant Transmission Project**

*Merchant Transmission Project* means an existing or planned project for which the costs are recovered or intended to be recovered through negotiated rates instead of cost-based rates and are therefore not eligible for cost allocation.

**1.42 Mitigation Cost**

*Mitigation Cost* means the estimated total cost of the solution that is identified to mitigate the Material Adverse Impact on a Neighboring System caused by a project identified in the Regional Combination, under Section 6.3 of this Attachment K.

**1.43 Neighboring System**

*Neighboring System* means an electrically interconnected transmission system.

**1.44 Non-Enrolled Developer Agreement**

*Non-Enrolled Developer Agreement* means the current version of the form agreement attached hereto as Exhibit D and entered into with the Enrolled Parties; it is intended for use by Non-Incumbent Transmission Developers, ITP Proponents, and Merchant Transmission Developers, as required in Sections 4.2.3, 4.2.4, and 4.4 respectively, of this Attachment K. The Non-Enrolled Developer Agreement form is available on the NorthernGrid Website.

**1.45 Non-Incumbent Transmission Developer**

*Non-Incumbent Transmission Developer* refers to two categories of transmission developer: (1) a transmission developer that does not have a retail distribution service territory or footprint; and (2) a public utility transmission provider that proposes a transmission project outside of its existing retail distribution service territory or footprint, where it is not the incumbent for purposes of that project.

**1.46 Non-Jurisdictional Entity**

*Non-Jurisdictional Entity* means any entity that is within the definition of 16 U.S.C. § 824(f) (and hence is not a “public utility” under Part II of the Federal Power Act).

**1.47 Non-Transmission Alternative**

*Non-Transmission Alternative* means a solution that is proposed for consideration, in the planning process, as an alternative to transmission facilities.

**1.48 NorthernGrid**

*NorthernGrid* means the association described in Section 3 of this Attachment K.

**1.49 NorthernGrid Website**

*NorthernGrid Website* is [www.northerngrid.net](http://www.northerngrid.net).

**1.50 Person**

*Person* means an individual, corporation, cooperative corporation, municipal corporation, quasi-municipal corporation, joint operating entity, limited liability company, mutual association, partnership, limited partnership, limited liability partnership, association, joint stock company, trust, unincorporated organization, government entity or political subdivision thereof (including a federal power marketing administration), tribes, or organization recognized as a legal entity by law in the United States or Canada.

**1.51 Planning Cycle**

*Planning Cycle* means each two-year period beginning on January 1 of even numbered years and ending on December 31 of odd numbered years, undertaken by NorthernGrid, to create the Regional Transmission Plan.

**1.52 Planning Region**

*Planning Region* means each of the following transmission planning regions recognized by the Commission within the Western Interconnection: California Independent System Operator Corporation, NorthernGrid Enrolled Region, and WestConnect.

**1.53 Potential Cost Allocation Project**

*Potential Cost Allocation Project* is defined in Sections 5.2.3.2 and 5.2.3.3 of this Attachment K.

**1.54 Preliminary Cost Allocation Project**

*Preliminary Cost Allocation Project* is defined in Section 8.5.2 of this Attachment K.

**1.55 Project for Cost Allocation Consideration**

*Project for Cost Allocation Consideration* is defined in Section 8.1 of this Attachment K.

**1.56 Project Sponsor**

*Project Sponsor* has the definition contained in 5.2.3.1 of this Attachment K.

**1.57 Public Policy Requirement(s)**

*Public Policy Requirement* means any applicable public policy requirement established through one or more enacted statutes or regulations promulgated by a relevant local, state, or federal jurisdiction within the Enrolled Region. *Public Policy Requirements* is a collective reference to each *Public Policy Requirement*.

**1.58 Qualified Developer**

*Qualified Developer* means a Person that has satisfied the requirements of Section 7.1.3 of this Attachment K and intends to develop the project for which a Request for Cost Allocation is to be submitted.

**1.59 Qualified Sponsor**

*Qualified Sponsor* means a Project Sponsor that intends to submit a Request for Cost Allocation but does not intend to develop the project for which such Request for Cost Allocation is intended to be submitted.

**1.60 Regional Benefits for Purposes of Interregional Cost Allocation**

*Regional Benefits for Purposes of Interregional Cost Allocation* means, with respect to an ITP, an amount equal to the sum of the aggregate Benefits calculated in accordance with the provisions of Sections 8.4.1, 8.4.2, and 8.4.3 of this Attachment K for any Enrolled Party Beneficiary(ies) of such ITP. For purposes of items (ii) and (c) of Section 10.5.2 of this Attachment K, Regional Benefits for Purposes of Interregional Cost Allocation is referred to as NorthernGrid's regional benefits stated in dollars resulting from the ITP.

**1.61 Regional Combination**

*Regional Combination* is defined in Section 6.3 of this Attachment K.

**1.62 Regional Economic Study**

*Regional Economic Study* is defined in Section 12.2.1 (c) of this Attachment K.

**1.63 Regional Planning Horizon**

*Regional Planning Horizon* means the ten-year planning horizon considered in a given Planning Cycle.

**1.64 Regional Transmission Plan**

*Regional Transmission Plan* or *Plan* means the regional transmission plan developed during each biennial Planning Cycle pursuant to this Attachment K.

**1.65 Relevant Planning Regions**

*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 10.4.2 of this Attachment K, at which time it shall no longer be considered a Relevant Planning Region.

**1.66 Request for Cost Allocation**

*Request for Cost Allocation* means a request for a Sponsored Project to be considered for cost allocation that is submitted in accordance with Section 5.2.3.2 of this Attachment K.

**1.67 Sponsored Project**

*Sponsored Project* is defined in Section 5.2.3.1 of this Attachment K.

**1.68 Study Scope**

*Study Scope* means the range of items to be considered in performing analysis and studies to develop the Regional Transmission Plan as described in Section 6.1 of this Attachment K.

**1.69 Submittal Window**

*Submittal Window* begins on January 1 and runs through March 31 of even numbered years in each Planning Cycle.

**1.70 Total Project Cost**

*Total Project Cost* means the sum of the Estimated Cost and the Mitigation Cost (as either may be adjusted by the Cost Allocation Task Force, using the WECC Transmission Capital

Costs Calculator or some other recognized tool) of a project that is not an ITP or the Assigned Regional Costs from Interregional Cost Allocation of a project that is an ITP.

**1.71 Total Regional Costs from Interregional Cost Allocation**

*Total Regional Costs from Interregional Cost Allocation* means, with respect to an ITP, the sum of the Assigned Regional Costs from Interregional Cost Allocation of such ITP plus any Additional Regional Costs from Interregional Cost Allocation of such ITP.

**1.72 Transmission System**

*Transmission System* means, for purposes of this Attachment K only, the existing or proposed transmission facilities of a transmission provider (*depending* upon context, the Transmission Provider or an Enrolled Party); provided that Transmission System specifically excludes any existing or proposed transmission facilities in any Planning Region other than the Enrolled Region.

**1.73 Western Electricity Coordinating Council (“WECC”)**

*Western Electricity Coordinating Council* or *WECC* means the Western Electricity Coordinating Council or any successor entity.

**1.74 Western Interconnection**

*Western Interconnection* refers to the *western* interconnected electric grid in North America. It spans 14 western states in the United States, the Canadian provinces of British Columbia and Alberta, and the northern portion of Baja California in Mexico.

## Part B. Local Transmission Planning Process

### *Local Definition(s)*

TRANSAC means NWE's Transmission Advisory Committee that is a stand-alone advisory committee comprised of eligible stakeholders (to include state regulators, consumer council and transmission developers) who will provide input to the Transmission Provider regarding its Local Transmission Plan.

## 2. Local Planning Process

### 2.1 Preparation of a Local Transmission Plan

- 2.1.1 The Transmission Provider shall prepare, with the input of interested stakeholders, one (1) Local Transmission Plan during every two-year study cycle. The preparation of the Local Transmission Plan shall be done in accordance with the general policies, procedures, and principles set forth in this Attachment K.
- 2.1.2 Point-to-Point transmission service request must be made as a separate and distinct submission by an Eligible Customer in accordance with the procedures set forth in Transmission Provider's Tariff. Similarly, Network Customers must submit Network Resource and load additions/removals pursuant to the process described in Part III of the Tariff and the Transmission Provider's Business Practices document. This document is identified under the Section "1.R - Open Access Transmission Tariff (OATT) & Business Practices" of the Transmission Provider's business practice, available on the Transmission Provider's OASIS at:  
[http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).
- 2.1.3 Comparability Between Customers. The Transmission Provider shall develop a transmission plan that meets the needs of its transmission customers and treats all similarly situated customers (including network and retail native load and its own merchant function) on a comparable basis. Information obtained in quarters 1 and 5 pursuant to Section 2.5 below will be used in the preparation of the next study cycle Local Transmission Plan. Transmission Provider may, following stakeholder input, also include results of completed Economic Studies, completed pursuant to Part E below, in either the draft Local Transmission Plan or the next study cycle, depending on whether the study was requested in Quarter 1 or Quarter 5. In developing the Local Transmission Plan, Transmission Provider shall apply applicable reliability criteria, including criteria established by the Transmission Provider, the Western Electricity Coordinating Council, the North American Electric Reliability Corporation, and the Federal Energy Regulatory Commission.
- 2.1.4 Comparability Between Resources. Comparability between resources, including similarly situated customer-identified projects, will be accomplished in the following manner.
  - 2.1.4.1 Comparability between resources will be achieved in NWE's Local Transmission Plan by including all valid data received from customers

(including load forecast data, generation data, transmission needs driven by Public Policy Requirements and Demand Resource data) in the Local Transmission Plan development.

- 2.1.4.2 The Transmission Provider projects and similarly situated customer-identified projects (e.g., transmission solutions, transmission needs driven by Public Policy Requirements and solutions utilizing Demand Resource load adjustment) will be treated on a comparable basis and given comparable consideration in the transmission planning process. Comparability will be achieved by allowing customer-defined projects sponsor participation throughout the transmission planning process and by considering customer-defined projects (transmission solutions and solutions utilizing Demand Resources load modeled as a load adjustment) in the Local Transmission Plan development. The Transmission Provider retains discretion as to which solutions to pursue and is not required to include all customer-identified projects in its plan.
- 2.1.5 The Transmission Provider will establish a process by which stakeholders can discuss, question, or propose alternatives for input assumptions and upgrades identified by the transmission provider.
- 2.1.6 The Transmission Provider shall use a fifteen (15) year planning horizon for the Local Transmission Plan.
- 2.1.7 The Local Transmission Plan does not effectuate or otherwise constitute a transmission service request(s). Transmission Service Requests must be made in accordance with the procedures set for in the OATT and posted on the Transmission Provider's OASIS. The Local Transmission Plan does fulfill the Transmission Provider's obligation to plan for and provide for future Network Customers and Native Load Customers' load growth by identifying required Transmission System capacity additions to be constructed over the planning horizon.
- 2.1.8 The Transmission Provider shall take the Local Transmission Plan into consideration, to the extent required by law or regulation, as is appropriate when preparing and conducting generation interconnect, transmission service and Economic Studies. Explanation of the coordination of the Local Transmission Plan, generation interconnection studies and Economic Studies is available in Section "1.P - Attachment K Business Practice" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at:  
[http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).
- 2.1.9 The Transmission Provider shall take the generation interconnect, transmission service, Economic Study results, and transmission needs driven by Public Policy Requirements into consideration, to the extent required by law or regulation, as is appropriate when preparing and conducting the Local Transmission Plan studies. An explanation of the coordination of the Local Transmission Plan, generation interconnect studies and Economic Studies is described in Section "1.P - Attachment



K Business Practice” of the Transmission Provider’s business practices available on Transmission Provider’s OASIS at:  
[http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).

- 2.1.10 Transmission needs driven by Public Policy Requirements: The Transmission Provider shall have an open planning process that provides all stakeholders the opportunity to provide input into the transmission needs driven by Public Policy Requirements that will be evaluated for potential solutions.
- 2.1.10.1 During Quarter 1 of its eight-quarter study cycle, the Transmission Provider will receive from all stakeholders proposed Public Policy Requirements and transmission needs driven by Public Policy Requirements. During Quarter 5 any stakeholder may submit comments or additional information relating to the information received in Quarter 1.
- 2.1.10.2 Out of the set of Public Policy Requirements received in Quarter 1, the Transmission Provider, after consultation with its transmission advisory committee – TRANSAC, will separate the transmission needs driven by Public Policy Requirements into the following:
- (i) Those transmission needs driven by Public Policy Requirements that will be evaluated for potential solutions in the transmission planning process that develops the Local Transmission Plan;
  - (ii) Those transmission needs driven by Public Policy Requirements to be used in the uncertainty and other scenario analysis; and
  - (iii) Those transmission needs driven by Public Policy Requirements that will not be evaluated for potential solutions, if any.
- 2.1.10.3 Once identified, the Public Policy Requirements will not be revised during the development of the Local Transmission Plan unless unforeseen circumstances require a modification to those Public Policy Requirements identified to be evaluated in the transmission planning process that develops the Local Transmission Plan. In this instance, stakeholders will be consulted through TRANSAC before the Public Policy Requirements are modified.
- 2.1.10.4 The Local Transmission Plan review and evaluation process for transmission needs driven by Public Policy Requirements in the Local Transmission Plan will be the same as those used for any other local transmission and non-transmission projects evaluated in the Local Transmission Plan process. Stakeholder input will occur throughout the Local Transmission Plan eight quarter planning cycle. To develop the Local Transmission Plan, the Local Transmission Plan process will begin with data collection, goal and scenario definition in Quarter 1 (Section 2.3.2.1). Also in Quarter 1, from the larger set of Public Policy Requirements that

have been received, the Public Policy Requirements that will be used to develop the Local Transmission Plan will be identified (Section 2.1.10.2). In Quarters 2 through 6 a technical analysis (Section 2.3.2.2) will require transmission needs driven by Public Policy Requirements to be evaluated jointly with other local projects in the context of different base and uncertainty scenario cases, rather than considering transmission needs driven by Public Policy Requirements separately from other transmission needs. The technical analyses will use steady state power flow, post transient steady-state power flow and transient stability analyses to evaluate the system performance to ensure reliability is maintained. In Quarter 7 a decision rule (Section 2.3.2.3) will be developed with stakeholder input to review solutions identified during the technical analysis, including solutions from stakeholders and transmission solutions for Public Policy Requirements. The decision rule will evaluate all solutions against each other based on a comparison of their relative economics and ability to meet reliability criteria to develop the Local Transmission Plan. Reporting and coordination of the Local Transmission Plan will occur in Quarter 8 (Section 2.3.3.4).

2.1.10.4.1 Additional information regarding the process by which transmission needs driven by Public Policy Requirements will be received, reviewed and evaluated for potential solutions is described in the “ETP Method Criteria and Process Business Practice” as available in Section Q of the Attachment K Business Practice Links document posted on Transmission Provider’s OASIS website at:  
[http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).

## **2.2 Open Planning Process**

### **2.2.1 Open Planning Process:**

Transmission Provider shall prepare the Local Transmission Plan using an open process that includes input from interested persons and stakeholders at every step consistent with the principles, practices, policy and procedures set forth in this Attachment K. The Transmission Provider shall: (1) determine the goals and define the scenarios related to the Local Transmission Plan; (2) perform the Technical Study; (3) make any necessary determination, based on the data produced during the Technical Study and at the Transmission Providers sole discretion, regarding the Local Transmission Plan itself or include timely submitted Economic Study Request results; and (4) report study results, as required by applicable law or regulation to interested stakeholders and affected parties.

### **2.2.2 Openness:**

The Transmission Provider’s Local Transmission Plan process will be open to all stakeholders during the development of the Local Transmission Plan. All meetings

related to the Local Transmission Plan process shall be: (1) noticed by the Transmission Provider via the OASIS; and (2) provide for alternate means of participation, to the extent practical and economical, such as teleconference, videoconference or other similar means. The mode, method, schedule, process, and instructions for participation in the Local Transmission Plan process shall be posted and maintained on the OASIS.

#### 2.2.3 Limitations on Disclosure:

While Transmission Provider's Local Transmission Plan process will be conducted in the most open manner possible, Transmission Provider has an obligation to protect sensitive information such as, but not limited to, Critical Energy Infrastructure Information and the proprietary materials of third parties. Nothing in this Attachment K shall be construed as compelling the Transmission Provider to disclose materials in contravention of any applicable regulation, contractual arrangement, or lawful order unless otherwise ordered by a governmental agency of competent jurisdiction. Transmission Provider may employ mechanisms such as Confidentiality Agreements, protective orders, or waivers to facilitate the exchange of sensitive information where appropriate and available.

#### 2.2.4 Compliance:

Transmission Provider will adhere to all applicable regulations in preparing the Local Transmission Plan, including but not limited to the Standards of Conduct for Transmission Providers and Critical Energy Infrastructure Information.

### 2.3 Coordination

#### 2.3.1 Local Transmission Plan Study Cycle:

Transmission Provider shall prepare a Local Transmission Plan during an eight-quarter (8) study cycle.

2.3.1.1 Throughout the development of the Local Transmission Plan, Transmission Provider will coordinate the Local Transmission Plan development with stakeholders, including, but not limited to, state regulators, developers, transmission customers, and interested parties through TRANSAC.

2.3.1.2 The Local Transmission Plan study cycle and its start date will be posted on the Transmission Provider's OASIS website. The study cycle is explained in Section "1.K - Local Transmission Plan Study Cycle – Data Collection" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at:  
[http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).

2.3.1.3 The responsibility for the Local Transmission Plan shall remain with the Transmission Provider who may accept or reject in whole or in part, the

comments of any stakeholder unless prohibited by applicable law or regulation. If any comments are rejected, documentation explaining why shall be maintained in Section “1.N - Local Transmission Plan” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at:

[http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).

2.3.1.4 Transmission Provider will participate in a regional transmission planning process that produces a Regional Transmission Plan and complies with the transmission planning principles of Order 890 and 1000.

### 2.3.2 Local Transmission Plan Sequence of Events:

Transmission Provider shall use the following timeline in preparing its Local Transmission Plan.

#### 2.3.2.1 Quarter 1: Data Collection, Goal and Scenario Definition

2.3.2.1.1 Each Transmission Customer taking service under Part II of the OATT, or which has an accepted reservation in the transmission queue to take service under Part II shall provide data as requested by the Transmission Provider. Transmission Provider will gather Network Customers’ projected loads and resources, and load growth expectations (based on annual updates and other information available to it); Transmission Provider’s projected load growth and resource needs for its Eligible Customers; Point-to-Point Transmission Service customer’s projections for long-term (greater than 1 year) at each receipt and delivery point (based on information submitted by the customer to the Transmission Provider) including projections of rollover rights; and information from all Transmission Customers and the Transmission Provider on behalf of Native Load Customers concerning existing and planned Demand Resources and their impact on demand and peak demand. The Transmission Provider shall take into consideration, to the extent known or which may be obtained from its Transmission Customers and active queue requests, obligations that will either commence or terminate during the applicable study window.

2.3.2.1.2 Any stakeholder may submit data to be evaluated as part of the preparation of the draft Local Transmission Plan, and uncertainty and other scenarios including alternate solutions to the identified needs set out in prior Local Transmission Plans and Public Policy Requirements and transmission needs driven by Public Policy Requirements. In doing so, the stakeholder shall submit the data during Quarters 1 and 5 as specified in

Section “1.K - Local Transmission Plan Study Cycle – Data Collection” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at:  
[http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).

A regional Project Sponsor may submit information for their project to the local Transmission Provider or to the Planning Committee for consideration in the Regional Transmission Plan. This project data submission process is described in Section 5.

2.3.2.1.3 Transmission Provider, with input from stakeholders and interested parties, will define the Local Transmission Plan goal and define the uncertainty and other scenarios.

2.3.2.1.4 Transmission Provider will post on its OASIS website the basic methodology, criteria, process, its assumptions and databases that the Transmission Provider will use to prepare the Local Transmission Plan. Transmission Provider will also post on its OASIS website (i) a list of transmission needs driven by Public Policy Requirements that will be evaluated for potential solutions in the biennial transmission planning process and (ii) if not all transmission needs driven by Public Policy Requirements will be evaluated for potential solutions, an explanation as to how other transmission needs driven by Public Policy Requirements introduced by stakeholders were considered during the identification stage, and why they were not selected for further evaluation.

2.3.2.1.5 Confidential data and information and Critical Energy Infrastructure Information will be protected as required.

2.3.2.1.6 A regional or interregional project sponsor may submit information for their project to the local transmission provider or Enrolled Parties Planning Committee for consideration in the Regional Transmission Plan. This project data submission process is described in Section 5.

#### 2.3.2.2 Quarter 2-6: Technical Study

2.3.2.2.1 Quarter 2: Transmission Provider, with input from stakeholders and interested parties, will develop base cases that include load and resource data, Public Policy Requirements and transmission needs driven by Public Policy Requirements for the Local Transmission Plan, and Public Policy Requirements for the uncertainty and other scenarios. Customer load, Demand Resources and generation data

received pursuant to Section 2.5 will be included, as appropriate, in the development of the base case.

- 2.3.2.2.2 Quarter 5: Transmission Provider will coordinate the Economic Study results, Part E, and new generation interconnection resource study results into the Local Transmission Plan as appropriate. Any stakeholder may submit comments, additional information about new or changed circumstances relating to loads, resources, transmission projects, Public Policy Requirements and transmission needs driven by Public Policy Requirements, or alternative solutions to be evaluated as part of the preparation of the draft transmission plan, or submit identified changes to the data it provided in Quarter 1. The level of detail provided by the stakeholder should match the level of detail described in Quarter 1 above.
- 2.3.2.2.3 Quarter 2-6: Transmission Provider will conduct power flow, transient stability studies, post transient power flow and other studies.
- 2.3.2.2.4 All stakeholder submissions, including Public Policy Requirements and transmission needs driven by Public Policy Requirements, will be evaluated on a basis comparable to data and submissions required for planning the transmission system for both retail and wholesale customers, and solutions will be evaluated based on a comparison of their relative economics and ability to meet reliability criteria.
  - 2.3.2.2.4.1 Transmission Provider will study the existing transmission system over the 15-year planning horizon and identify reliability concerns.
  - 2.3.2.2.4.2 Transmission Provider will identify mitigation and analyze the transmission system with mitigation included.
  - 2.3.2.2.4.3 Transmission Provider will collect information from the analysis to be used in Quarter 7 decisions.
- 2.3.2.2.5 Transmission Provider will consider transmission and non-transmission solutions, including transmission solutions driven by Public Policy Requirements, Demand Resources load adjustments, to mitigate for unacceptable reliability performance problems that do not meet planning criteria.
- 2.3.2.2.6 Transmission Provider will consider the results from Economic Studies completed during quarters 1-4 of the current Local

Transmission Plan study cycle or Economic Study results from studies completed during the prior year Economic Study cycle.

2.3.2.3 Quarter 7: Decision

2.3.2.3.1 Using data and information from the Technical Study, the Transmission Provider, with input from stakeholders and interested parties, will define its fifteen (15) year Local Transmission Plan.

2.3.2.3.2 All solutions, including solutions from stakeholders and transmission solutions for Public Policy Requirements, will be evaluated against each other based on a comparison of their relative economics and ability to meet reliability criteria.

2.3.2.4 Quarter 8: Reporting and Coordination

2.3.2.4.1 Transmission Provider will report the Local Transmission Plan to stakeholders.

2.3.2.4.2 Transmission Provider will communicate its Local Transmission Plan with owners and operators of the neighboring interconnected transmission systems.

2.3.2.4.3 Transmission Provider will post on its OASIS its final Local Transmission Plan report and all draft Local Transmission Plan reports.

2.3.2.4.4 Transmission Provider will submit the Local Transmission Plan to NorthernGrid within the Submittal Window for the next regional Planning Cycle (as specified in Section 5.2.2).

**2.4 Transparency**

2.4.1 NorthWestern shall post on its OASIS and consistently apply the methodologies, criteria, assumptions, and process for preparing the Local Transmission Plan.

2.4.2 The Transmission Provider shall utilize regularly scheduled TRANSAC meetings or other similar means, as it may from time to time establish, to solicit, obtain, and coordinate the input of interested stakeholders throughout the Local Transmission Plan study process. Transmission Provider's open planning process encourages participation by stakeholders, including, but not limited to, the Montana Public Service Commission, the Montana Consumer Council, transmission customers (Network and Point-to-Point Transmission Service), generators, cooperatives, interconnecting utilities, the Governor's Office, transmission-providing neighbors and other stakeholders. Announcements of these meetings will be posted on NWE's OASIS website and all meetings will be open to the public.

- 2.4.3 Transmission Provider shall post and maintain on its OASIS: (1) All procedures, process, instructions, and other information necessary to participate in the TRANSAC, Open Public Meeting, or other means established for the purpose of soliciting the input of or coordinate with interested stakeholders; (2) all comments received from interested stakeholders, to the extent such comments are not confidential or subject to privilege; any draft Local Transmission Plan or any other documents the Transmission Provider deems would promote coordination in the Local Transmission Plan study process or required to be posted by applicable law or regulation.
- 2.4.4 The responsibility for the Local Transmission Plan shall remain with the Transmission Provider who may accept or reject in whole or in part, the comments of any stakeholder unless prohibited by applicable law or regulation.
- 2.4.5 Upon completion of the Local Transmission Plan process as set forth on the Transmission Provider's OASIS, the Transmission Provider shall finalize and post on the OASIS the Local Transmission Plan and non-confidential supporting documents.
- 2.4.6 The Local Transmission Plan shall be transmitted to the regional and interregional entities conducting similar planning efforts, interested stakeholders, and the owners and operators of the neighboring interconnected transmission systems.
- 2.4.7 OASIS Requirements
- 2.4.7.1 The Transmission Provider shall maintain a Transmission Planning folder on the publicly accessible portion of its OASIS to distribute information related to this Attachment K and the Local Transmission Plan.
- 2.4.7.2 The Transmission Provider shall maintain in the Transmission Planning folder on the publicly accessible portion of OASIS a subscription service or How-To-Contact-Us folder whereby any person may contact the Transmission Provider to receive e-mail notices and materials related to the Local Transmission Plan process.
- 2.4.7.3 Content of OASIS Postings. Transmission Provider shall post on its OASIS the following information. These documents can be found under Section "1 – Local Transmission Planning and Attachment K Link Information" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at:  
[http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).
- 2.4.7.3.1 Transmission planning business practices along with the procedures for modifying the business practices;
- 2.4.7.3.2 Study cycle timeline;



- 2.4.7.3.3 A form to submit an Economic Study Request, each Economic Study Request, and any response from the Transmission Provider;
- 2.4.7.3.4 The details of each TRANSAC, Open Public Meeting, or any other similar meeting related to transmission planning;
- 2.4.7.3.5 In advance of its discussion at any public meeting, an agenda and available materials to be discussed;
- 2.4.7.3.6 As soon as reasonably practical after the conclusion of each public meeting, a summary of the transmission information discussed at the public meeting and any material not already posted;
- 2.4.7.3.7 Written comments submitted in relation to the Local Transmission Plan, and any explanation regarding rejection of such comment;
- 2.4.7.3.8 A list of which Public Policy Requirements received during Quarter 1 will be evaluated in the biennial study cycle and why other suggested Public Policy Requirements received during Quarter 1 will not be evaluated;
- 2.4.7.3.9 The draft and any interim versions of the Local Transmission Plan;
- 2.4.7.3.10 The final version of all completed Local Transmission Plans;
- 2.4.7.3.11 Aggregated load forecasts representing the Transmission Provider's total Balancing Area (e.g., control area) transmission system;
- 2.4.7.3.12 Summary list of Critical Energy Infrastructure Information submitted during the planning process;
- 2.4.7.3.13 Pertinent NorthernGrid and WECC agreements, charters and documents under a separate NorthernGrid and WECC folders on the OASIS; and
- 2.4.7.3.14 Information describing the extent that the Transmission Provider has undertaken a commitment to build a transmission facility included in NorthernGrid's Regional Transmission Plan.

#### 2.4.8 Database Access.

A stakeholder may receive access from the Transmission Provider to the database and all changes to the database used to prepare the Local Transmission Plan

according to the database access rules established by the WECC and upon certification to the Transmission Provider that the stakeholder is permitted to access such database. Unless expressly ordered to do so by a court of competent jurisdiction or regulatory agency, the Transmission Provider has no obligation to disclose database information to any stakeholder that does not qualify for access.

## **2.5 Information Exchange**

### **2.5.1 Types of Forecast Data:**

Network Customers, Point-to-Point Transmission Service customers and Load Serving Entities on behalf of Native Load Customers shall annually submit information on projected load, resources (or sources of electrical supply) and Demand Resources data as required to facilitate the Local Transmission Plan process or to fulfill OATT, regulatory, legal or other Transmission Provider obligations. Network Customers, Point-to-Point Transmission Service customers and Load Serving Entities shall provide Transmission Provider the following types of data upon reasonable request and according to the schedule posted on the OASIS to facilitate the Local Transmission Plan process.

2.5.1.1 Historical Data: one year of monthly historical energy and peak load data for the prior calendar year and for all months of the current year, as it is available.

2.5.1.2 Load Forecast Data: monthly energy (MWh) and peak (MW) load forecast data.

2.5.1.3 The peak load forecast shall assume a 1-in-2 temperature.

2.5.1.4 Demand Resources, demand reduction, conservation and demand-side management: demand response resource savings, conservation savings, and other customer load reduction alternative that would reduce or alter their load forecast.

2.5.1.5 Generation Forecast Data: changes to technical generator data or interconnection facilities data for their generators and expected monthly energy (MWh), monthly peak capability (MW) and expected maintenance schedule.

2.5.1.6 Other Supply Sources: monthly energy (MWh) and peak (MW) data for electrical supply sources including point of receipt and point of delivery.

### **2.5.2 Public Policy Requirements and transmission needs driven by Public Policy Requirements:**

All stakeholders have the opportunity to submit Public Policy Requirements and transmission needs driven by Public Policy Requirements during Quarter 1 of the eight-quarter study cycle.

2.5.3 Amount of Data:

Unless otherwise requested or provided elsewhere in NorthWestern's OATT, or agreed to by the Transmission Provider and the Transmission Customer, the Transmission Customer shall provide the Transmission Provider fifteen (15) years of monthly forecast data.

2.5.4 Additional Information:

The Transmission Customer shall also provide, upon reasonable request, to the Transmission Provider the following information or other information as requested by the Transmission Provider:

- 2.5.4.1 Discussion of reasons for significant increase or decreases in load or generation forecast.
- 2.5.4.2 Source and vintage of load forecast and generation resource information.
- 2.5.4.3 Interruptible tariff peak loads with and without interruptible portion of the forecast applied.
- 2.5.4.4 The numerical value (average) for the 1-in-2 temperature used to develop the summer and winter peak load forecast.
- 2.5.4.5 The methodology that can be used to adjust the 1-in-2 winter and summer peak load forecasts to an alternative temperature (e.g., 1-in-10 and 1-in-20) probability assumption.
- 2.5.4.6 Weather station(s) used and assumptions associated with developing the peak load temperature forecasts.
- 2.5.4.7 Other load forecast and resource data as reasonably requested by the Transmission Provider.

2.5.5 Comparability of Data:

The same type of data request for generator forecast data and load forecast data shall be sent by the Transmission Provider to generators and Transmission Customers within the Transmission Provider's respective balancing area.

2.5.6 Confidentiality:

Individual customer data will be treated as confidential and will be aggregated with other customer data for planning and reporting purposes. The data received will be used to develop the Transmission Provider's Local Transmission Plan and for reporting purposes. Market sensitive and commercial specific data, identified as such by the Transmission Customer or stakeholder, shall be handled as such and administered in accordance with the Standard of Conduct for Transmission Providers as well as Critical Energy Infrastructure Information.

2.5.7 Schedule of Collection:

Transmission Provider will request forecast data annually during the fall time period (September-December) and merge it into the biennial Local Transmission Plan study schedule as posted on OASIS. Similarly, Transmission Provider shall post on the OASIS instructions and procedures for the submission of data.

2.5.8 Transmission Customer Obligation:

Customers shall provide Transmission Provider with generation, energy and peak load forecast, demand response resources, and other data specified within this Attachment K, to the maximum extent practical and consistent with protection of proprietary information.

2.5.8.1 Customers shall also provide timely written notice (including email) of material changes to information previously provided relating to its load, resources, or other aspects of its facility or operations affecting the Transmission Provider's ability to provide service.

2.5.8.2 If any Transmission Customer or stakeholder fails to provide data or otherwise participate as required by this Attachment K, the Transmission Provider cannot effectively include future needs in the Transmission Provider's Local Transmission Plan planning obligations. If any Network Customer fails to provide data or otherwise participate as required by this Attachment K, the Transmission Provider shall plan the system based on the most recent load and resource data received.

2.5.9 Comparability, Generally:

Transmission Provider shall consider all valid data, along with appropriate comments on data, process, and methodology received from Transmission Customers and stakeholders during preparation of Local Transmission Plan.

**2.6 Cost Allocation**

2.6.1 Cost allocation principles expressed here are applied in a planning context, and do not supersede cost obligations as determined by other parts of the Tariff, which include but are not limited to transmission service requests, generation interconnection requests, Network Upgrades, Direct Assigned Facilities, or other cost allocation principles as may be determined in states with jurisdiction over the Transmission Provider.

2.6.2 The types of projects covered under this Cost Allocation (i.e., projects that are not covered under existing OATT allocation rules) include the following: a new project that is confined to Transmission Provider's Balancing Area that is not for load service (including a new project extending beyond the Transmission Provider's Balancing Area, which will be subject to regional cost allocation rules); a new project involving several transmission owners; a new project resulting from an open season

participation; and a project resulting from an Economic Study Request that is not used for Transmission Provider load service.

2.6.2.1 Transmission Provider shall use mechanisms such as the TRANSAC or similar processes to work collaboratively with stakeholders and Transmission Customers regarding the allocation of costs for projects whose costs are not otherwise addressed under the OATT. Transmission Provider's Methodology and principles for the Allocation of Costs shall be posted on the OASIS.

2.6.2.2 Transmission Provider may elect to proceed with upgrades to the existing transmission system or with load service, customer requested and/or reliability transmission projects without an open season solicitation of interest, in which case Transmission Provider will proceed with the project pursuant to its rights and obligations as a Transmission Provider.

### 2.6.3 Individual Transmission Service Requests Costs and Interconnect Requests Not Considered

2.6.3.1 The costs of upgrades or other transmission investments subject to a generation interconnect or an existing transmission service request pursuant to the Tariff are evaluated in the context of that request. Nothing contained in this Attachment K shall relieve or modify the obligations of the Transmission Provider or the requesting Transmission Customer contained in the Tariff.

### 2.6.4 Cost Allocation Principles

2.6.4.1 Costs will be identified using the principle that cost causers should be cost bearers and that beneficiaries should pay in an amount that are reflective of the direct demonstrable benefits received. The costs will be determined by the technical study used to define the mitigation requirements and the direct costs of that mitigation. The benefits will be determined by the technical study as the direct demonstrable benefits that are a direct result of that mitigation.

2.6.4.2 Proportional Allocation: Costs and associated transmission rights for new local projects that fall outside Transmission Provider's OATT will be allocated on a proportional allocation based on the capacity (MW) requested or benefit received (quantified as MW benefit or other agreed upon measure), unless a mutually agreeable cost allocation method can be reached between Transmission Provider and the project participants or sponsors, which will be subject to FERC approval of the participation agreement. Allocation of costs and benefits for network upgrades required by the local project will be allocated on a pro-rated share of the network facility capacity (MW) use, which will be quantified by technical study.

- 2.6.4.2.1 Transmission Provider will follow the Local Cost Allocation Project Outside OATT Methodology that is posted on Transmission Provider's OASIS to develop a non-binding cost estimate for an indicative cost allocation. The local cost allocation methodology can be found under Section "1.M - Local Cost Allocation Methodology" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at:  
[http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).
- 2.6.4.2.2 For a project on the Transmission Provider's system that is undertaken for economic reasons or congestion relief at the request of an entity, the project cost will be allocated to the requesting entity.
- 2.6.4.2.3 In developing alternative cost allocation methods, Transmission Provider will seek input from its stakeholders, through TRANSAC, when appropriate.
- 2.6.4.3 Notwithstanding the foregoing provisions, Transmission Provider will not assume cost responsibility for any project if the cost of the project is not reasonably expected to be recovered in its retail and/or wholesale rates.
- 2.6.4.4 The Commission's regulations, policy statements and precedent on transmission pricing shall be followed.
- 2.6.4.5 The cost allocation for regional projects will be allocated consistent with the provisions of Section 8 of this Attachment K.

## **2.7 Dispute Resolution (Compliance with Attachment K and Local Transmission Plan)**

The process in Part F of this Attachment K shall be utilized to address procedural and substantive concerns over the Transmission Provider's compliance with this Attachment K and related transmission business practices.

## **2.8 Recovery of Planning Costs**

Unless Transmission Provider allocates planning-related costs to an individual stakeholder, or as otherwise permitted by the Tariff, all costs of the Transmission Provider related to the Local Transmission Plan process or as part of a regional or interregional planning process shall be included in the Transmission Provider's transmission rate base.

## **2.9 Transmission Business Practices**

Transmission Provider has posted on its OASIS website its business practices. In lieu of developing a separate transmission business practice, the Transmission Provider may post documents or links to publicly available information that explain its planning obligations as set out in this Attachment K. The Transmission Provider's business practices are available on

Transmission Provider's OASIS at:

[http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doc](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc)  
[X](#).

## **Part C. NorthernGrid’s Enrolled Region Transmission Planning Process**

### **3. Introduction**

NorthernGrid is an unincorporated association of entities that either own or operate, or that propose to own or operate, electric transmission facilities in the Western Interconnection. NorthernGrid promotes coordinated, open, and transparent transmission planning and facilitates compliance with certain FERC transmission planning directives for the Enrolled Parties. Transmission Provider participates in NorthernGrid’s transmission planning processes as set forth in this Attachment K.

NorthernGrid is to develop a Regional Transmission Plan each Planning Cycle as described in this Attachment K. Each Planning Cycle considers a ten-year planning horizon (“Regional Planning Horizon”) to commence on the first day of that Planning Cycle. The Regional Transmission Plan is not intended to be a construction plan; however, the Regional Transmission Plan is intended to provide insight and information regarding regional transmission planning.

Parts C and D of Attachment K set forth NorthernGrid’s Enrolled Region process to be used in developing the Regional Transmission Plan. Part E of Attachment K addresses local and regional economic study requests.



## 4. Participation and Information Access

### 4.1 Enrolled Parties

#### 4.1.1 Identification

The Enrolled Parties are:

Avista Corporation;  
Idaho Power Company;  
MATL LLP;  
NorthWestern Corporation;  
NV Energy;  
PacifiCorp;  
Portland General Electric Company; and  
Puget Sound Energy, Inc.

#### 4.1.2 Updates to Enrolled Parties List

Transmission Provider is to revise the list of Enrolled Parties in Section 4.1.1 of this Attachment K to add any entity that enrolls pursuant to Section 4.2.2, or to remove any entity that withdraws (or is deemed to have withdrawn) as an Enrolled Party.

### 4.2 Becoming an Enrolled Party

#### 4.2.1 Eligibility

Any Person that satisfies the requirements of sub-sections (i) and (ii) is eligible to and may seek to become an Enrolled Party.

- (i) The Person owns or operates, or proposes to own or operate, transmission facilities in the United States portion of the Western Interconnection.
- (ii) The Person's transmission facilities (whether owned, operated or proposed) within the United States portion of the Western Interconnection are (or are proposed to be) electrically interconnected with another Enrolled Party's transmission facilities or the transmission facilities of a Non-Jurisdictional Entity that utilizes NorthernGrid for transmission planning.

#### 4.2.2 Process to become an Enrolled Party

A Person shall demonstrate eligibility and request to become an Enrolled Party by submitting a completed application form, which is available on the NorthernGrid Website, in accordance with the instructions contained on the form.

The Person becomes an Enrolled Party on the date it satisfies the requirements of subsections (i), (ii), and (iii) below.

- (i) The Person demonstrates eligibility pursuant to Section 4.2.1.
- (ii) The Person places into effect either an Attachment K to its Open Access Transmission Tariff if FERC requires the Person to have an Open Access Transmission Tariff, or in the case of a Non-Jurisdictional Entity, executes an agreement that is consistent with this Tariff that defines NorthernGrid's processes for producing a Regional Transmission Plan, Enrolled Party responsibilities, and stakeholder involvement.
- (iii) The Person becomes a party to the Funding Agreement.

#### 4.2.3 Process for Non-Incumbent Transmission Developers to Participate

Provided it is not an Enrolled Party, a Non-Incumbent Transmission Developer that intends to propose a transmission project for evaluation and potential selection into the regional plan in accordance with Section 5.2.3 must first execute a Non-Enrolled Developer Agreement in the form of Exhibit D, attached hereto, and pay the study fee indicated in that agreement.

#### 4.2.4 Process for Interregional Transmission Project Proponents to Participate

Provided it is not an Enrolled Party, an Interregional Transmission Project Proponent that intends to propose an ITP for evaluation and potential selection into the regional transmission plan in accordance with Section 5.2.3 must first execute a Non-Enrolled Developer Agreement in the form of Exhibit D, attached hereto.

#### 4.2.5 Duration of Enrollment for Enrolled Parties

Enrolled Party status is retained, unless or until such time as the entity withdraws, or is deemed to have withdrawn, in accordance with Section 4.3 of this Attachment K.

#### 4.2.6 Expectations of an Enrolled Party

Each Person that becomes an Enrolled Party pursuant to Section 4.2.2 is expected to actively participate in the transmission planning processes set forth in this Attachment K.

### 4.3 **Withdrawal of Enrolled Party**

#### 4.3.1 Notice of Enrolled Party Withdrawal

Any Enrolled Party may withdraw from being an Enrolled Party by providing written notice of withdrawal to the Enrolled Parties' representative chair of the Enrolled Parties Planning Committee, at the address listed on the NorthernGrid Website, and to each other Enrolled Party, at the address listed for each Enrolled Party on NorthernGrid's Website.

#### 4.3.2 Effective Date of Notice of Withdrawal

If an Enrolled Party provides notice of withdrawal in accordance with Section 4.3.1, such withdrawal will be effective the end of the Planning Cycle in which such written notice of withdrawal is received by the Enrolled Parties' representative chair of the Enrolled Parties Planning Committee; *provided, however*, if the withdrawing Enrolled Party is a Non-Jurisdictional Entity, such withdrawal shall be effective upon the receipt, by the Enrolled Parties' chair of the Enrolled Parties' Planning Committee, of the written notice of withdrawal from such Enrolled Party.

#### 4.3.3 Deemed Withdrawal

Any Person enrolled as an Enrolled Party pursuant to Section 4.2.2 must remain a party to the Funding Agreement. If an Enrolled Party ceases being a party to the Funding Agreement, such Enrolled Party shall be deemed to have withdrawn as an Enrolled Party thirty (30) calendar days after the date such Enrolled Party ceases being a party to the Funding Agreement.

#### 4.3.4 Significance of Withdrawal

Upon the effective date of withdrawal or deemed withdrawal of an Enrolled Party, all rights and obligations of the withdrawing Enrolled Party under this Attachment K shall terminate; provided that all obligations and liabilities of such withdrawing Enrolled Party, including any obligation with regard to any Total Project Cost allocated to such Enrolled Party in accordance with Section 8.5.4 of this Attachment K, accrued prior to the date upon which withdrawal of such Enrolled Party is effective, as provided in Section 4.3.2 or 4.3.3 (as applicable), are preserved until satisfied.

### 4.4 Participation by Merchant Transmission Developer

A Merchant Transmission Developer that has either executed the Funding Agreement or executed a Non-Enrolled Developer Agreement in the form of Exhibit D, attached hereto, and paid a study fee in accordance with such agreement, may submit a Merchant Transmission Project into the Planning Cycle in accordance with Section 5.2.3.4.

### 4.5 Stakeholder Participation

Any Person may attend public meetings, and any Person may submit comments to materials published on the NorthernGrid Website for public comment according to the instructions included with the materials. NorthernGrid is to post notice of the public meeting on the NorthernGrid Website at least seven (7) calendar days in advance of such meeting. The meeting notice will identify the date, time, and location of the meeting.

### 4.6 Engagement of States

State participation in the processes in this Attachment K is described in the Enrolled Parties and States Committee Charter.

## **4.7 Sensitive Information**

### **4.7.1 Protocols for Treatment and Labeling of CEII or Confidential Information**

Any Person seeking to participate in the processes of this Attachment K must adhere to the rules and/or guidelines established by the Enrolled Parties concerning CEII or Confidential Information. Those rules and any guidelines will be posted on the NorthernGrid Website and updated as necessary. Confidential Information and CEII must be clearly marked as such.

### **4.7.2 Requesting and Processing Information Requests**

A Person may request information from NorthernGrid by completing and submitting a written request form available on the NorthernGrid Website, specifying the information being requested. The Enrolled Parties Planning Committee is to determine whether any of the requested information includes CEII or Confidential Information. NorthernGrid is to provide to the requestor the information requested that NorthernGrid does not identify as information that includes any CEII or Confidential Information.

If the requested information includes CEII or Confidential Information, NorthernGrid is to notify the requestor in writing that information requested by such requestor includes CEII or Confidential Information and that the requestor must comply with restrictions imposed on access to and use of such data (such as a non-disclosure agreement) by the entity that owns such data. NorthernGrid is, to the extent practicable, to inform the requestor of the entities with which it must enter into a non-disclosure agreement. To the extent any other entity's Confidential Information is contained within the work product of NorthernGrid, any non-disclosure agreements must be obtained with such entity prior to disclosure of Confidential Information by NorthernGrid.

The requestor shall work with each entity, as applicable, to execute non-disclosure agreements. Once NorthernGrid has received confirmation that applicable non-disclosure agreements have been executed, it is to provide the Confidential Information or CEII to the requestor. In no event shall the Transmission Provider or NorthernGrid be required to produce or provide to any Person information in violation of any applicable law, regulation, or other legal requirement.

## NorthernGrid Planning Cycle

### 5. Data Gathering/Study Scope Inputs

#### 5.1 Responsibility

The Enrolled Parties Planning Committee is to gather data to prepare the Study Scope and perform certain evaluations as set forth in this Attachment K.

#### 5.2 Data Gathering

##### 5.2.1 General from Stakeholders

Any stakeholder may submit data, including projects, for evaluation as part of the preparation of the Draft Regional Transmission Plan to address Enrolled Party Needs, including such needs driven by Public Policy Requirements, and Non-Transmission Alternatives and Conceptual Solutions to address such Enrolled Party Needs. Projects submitted by stakeholders as well as Conceptual Solutions derived from stakeholder information may become Sponsored Projects that may be submitted for evaluation and/or cost allocation pursuant to Section 5.2.3.1 or 5.2.3.2, or they may be submitted for evaluation and cost allocation pursuant to Section 5.2.3.3. A stakeholder shall use the Data Submittal Form to submit data and may use Table A, in Section 5.2.3.5, as guidance for the types of data to be submitted. Stakeholders shall submit such data to NorthernGrid consistent with the instructions available on the NorthernGrid Website, within the Submittal Window. Stakeholders may also submit such data to NorthernGrid consistent with the instructions available on the NorthernGrid Website within the sixty (60) day time period for submitting additional information under Section 6.2. Untimely submissions will not be considered.

##### 5.2.2 Enrolled Party Information

Each Enrolled Party is to submit the following information to NorthernGrid within the Submittal Window:

- (i) Its Local Transmission Plan, and the data required by Section 5.2.3.5 for any local project that is to be evaluated by the Enrolled Parties Planning Committee;
- (ii) Any local project the Enrolled Party is identifying and submitting appropriate evidence for, such that the project may be evaluated by the Enrolled Parties Planning Committee for possible classification as a Committed Project;
- (iii) Data used to develop its Local Transmission Plan, including projections of network customer loads and resources, projected point-to-point transmission service forecast information, existing and planned demand response resources;

- (iv) Updates to previously submitted data;
- (v) Enrolled Party Needs, including such needs driven by Public Policy Requirements; and
- (vi) Any other project that such Enrolled Party intends to propose for evaluation in the Planning Cycle, including any Non-Transmission Alternatives or Conceptual Solutions.

### 5.2.3 Proposing a Project

#### 5.2.3.1 New Sponsored Projects

An Enrolled Party, a Non-Incumbent Transmission Developer, an ITP Proponent, or a Merchant Transmission Developer (each individually referred to as a Project Sponsor) may propose a new transmission project (each a “Sponsored Project”) for evaluation in a Planning Cycle. At a minimum, the data identified in Table A must be submitted for each project being proposed. For any project submitted for possible classification as a Committed Project, the Project Sponsor must demonstrate, to the reasonable satisfaction of the Enrolled Parties Planning Committee, that the project is a Committed Project. Failure to do so will result in the project being evaluated in the normal course, during the Planning Cycle.

#### 5.2.3.2 Request for Cost Allocation - Sponsored Project

An Enrolled Party, a Non-Incumbent Transmission Developer, and an ITP Proponent that is deemed a Qualified Sponsor or otherwise qualifies as a Qualified Developer in accordance with Section 7 below, may propose a Sponsored Project for evaluation and potential selection in the Regional Transmission Plan for purposes of cost allocation; provided, however, that Non-Transmission Alternatives are not eligible to be selected for purposes of cost allocation.

A Qualified Sponsor/Qualified Developer shall use the Data Submittal Form to submit data and may use Table A below, as guidance for the types of data to be submitted. Qualified Sponsors/Qualified Developers shall submit such data to NorthernGrid within the Submittal Window, or to the extent such submission is related to additional information submitted in accordance with Section 6.2, within fifteen (15) days after the close of the sixty (60) day period for submitting data pursuant to Section 6.2, consistent with the instructions available on the NorthernGrid Website. Untimely submissions will not be considered.

A transmission project for which a Request for Cost Allocation has been properly submitted is referred to as a “Potential Cost Allocation Project.” A Qualified Sponsor/Qualified Developer may withdraw its Request for Cost Allocation at any time by providing written notice to the Chair of the

Cost Allocation Task Force. In the event that all Qualified Sponsors/Qualified Developers of a specific Potential Cost Allocation Project withdraw their Request(s) for Cost Allocation, such project shall no longer be eligible, during the then-current Planning Cycle, for consideration to become a Cost Allocation Project in the Regional Transmission Plan.

#### 5.2.3.3 Request for Cost Allocation – Un-sponsored Project

Any Enrolled Party, Non-Incumbent Transmission Developer, or ITP Proponent (only with regard to un-sponsored projects that are ITPs) may propose an un-sponsored transmission project for evaluation and potential selection into the Regional Transmission Plan for purposes of cost allocation. However, each un-sponsored project is dependent upon an otherwise Qualified Sponsor/Qualified Developer to submit a Request for Cost Allocation on behalf of the un-sponsored project. A transmission project for which a Request for Cost Allocation has been properly submitted is referred to as a “Potential Cost Allocation Project.” If no Qualified Sponsor/Qualified Developer submits a Requests for Cost Allocation for an otherwise un-sponsored transmission project, such un-sponsored project will be removed from the Regional Transmission Plan.

Any Enrolled Party, Non-Incumbent Transmission Developer, or ITP Proponent proposing an un-sponsored transmission project for evaluation and potential selection into the Regional Transmission Plan for purposes of cost allocation, shall use the Data Submittal Form to submit relevant data about the project and shall use Table A and Section 5.2.3.6 below, for the types of data to be submitted. Such data shall be submitted to NorthernGrid within the Submittal Window, or to the extent such submission is related to additional information submitted in accordance with Section 6.2, within fifteen (15) days after the close of the sixty (60) day period for submitting data pursuant to Section 6.2, consistent with the instructions available on the NorthernGrid Website. Untimely submissions will not be considered.

If a Request for Cost Allocation is made on behalf of an un-sponsored project, such request may later be withdrawn by the Qualified Sponsor/Qualified Developer who requested cost allocation by providing written notice to the chair of the Cost Allocation Task Force. If the Request for Cost Allocation is withdrawn, such un-sponsored project shall no longer be eligible, during the then-current Planning Cycle, for consideration to become a Cost Allocation Project in the Regional Transmission Plan.

5.2.3.4 Merchant Transmission Projects

A Merchant Transmission Developer may submit a Merchant Transmission Project for evaluation in the Planning Cycle by submitting the data identified in Table A below, to be submitted by Merchant Developers, and thereby have its project recognized as a “Sponsored Project.” However, Merchant Transmission Projects shall not be considered for cost allocation.

5.2.3.5 Minimum Data Submittal Requirements (“Project Data” or “Table A”)

<b>Table A. Project Data Requirements</b>			
	<b>Data/Information to be provided</b>	<b>Everyone except Merchant Transmission Developers</b>	<b>Merchant Transmission Developers</b>
A	Proposed project name and name of Project Sponsor; if project is an unsponsored project, please clearly label project as “Unsponsored”	Y	Y
B	Whether or not project is claimed to be a Committed Project	Y	Y
C	Whether Project Sponsor intends to request cost allocation	Y	N
D	Identify the Enrolled Party Needs to be addressed and whether any such Enrolled Party Needs are driven by Public Policy Requirements	Y	Optional
E	Identify location of project, including map of proposed route	Y	Y
F	Any new facilities comprising the project (e.g., new substations and transmission lines)	Y	Y
G	Voltage level (including AC or DC)	Y	Y
H	Structure type (wood, steel, single-circuit, double-circuit, etc.)	Y	Y
I	Conductor type, mileage, configuration, and electrical parameters of components as necessary to model them accurately in power flow simulations (e.g., resistance, reactance, charging, ratings, etc.)	Y	Y
J	Project terminal facilities and any reactive elements (in MVAR)	Y	Y
K	“Estimated Cost” of project, and if available, the associated annual revenue requirement and underlying assumptions (such as annual return (both debt and equity), depreciation, taxes other than income, operation and maintenance expense, and income taxes)	Y	Optional
L	Development schedule of the project	Y	Y
M	Planned in-service date of the project	Y	Y
N	Whether the project is being proposed as an	Y	N



<b>Table A. Project Data Requirements</b>			
	<b>Data/Information to be provided</b>	<b>Everyone except Merchant Transmission Developers</b>	<b>Merchant Transmission Developers</b>
	Interregional Transmission Project (ITP)		
O	If the project is an Interregional Transmission Project, a list of all Relevant Planning Regions to which the Interregional Transmission Project has been, or is to be, submitted for evaluation	Y	N
P	Whether the project is a Merchant Transmission Project	N	Y
Q	Additional technical studies and analysis, if performed	Y	Y
R	Economic Considerations <sup>1</sup>	Y	Optional

If the Enrolled Parties Planning Committee determines that additional information is necessary or appropriate, it may request the additional information at any time and the Project Sponsor shall promptly provide such other information as may reasonably be requested.

#### 5.2.3.6 Additional Information about Potential Cost Allocation Projects

Within fifteen (15) calendar days of submitting a Request for Cost Allocation for a Potential Cost Allocation Project in accordance with Section 5.2.3.2, the Qualified Sponsor/Qualified Developer of such Potential Cost Allocation Project shall, to the extent not already provided, submit the following additional information about the Potential Cost Allocation Project:

- (i) Qualified Sponsor's/Qualified Developer's anticipated role regarding the Potential Cost Allocation Project (e.g., intends to be the developer, owner, and/or operator of the Potential Cost Allocation Project) and the identity of any other entity that proposes to participate in the development, ownership, or operation of the Potential Cost Allocation Project;
- (ii) Required steps for developing the Potential Cost Allocation Project, such as granting of state, federal, and local approvals and obtaining easements necessary to develop and construct the Potential Cost Allocation Project so as to timely meet the Enrolled Party Need(s), and the current status regarding any such steps;

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<sup>1</sup> Provide data supporting the economic considerations (rather than load service, reliability or Public Policy Requirements) that are driving the project. Economic considerations include but are not limited to a search for lower cost power or marketing opportunities for power or transmission service.

- (iii) Anticipated transfer capability or path rating increase associated with the Potential Cost Allocation Project;
- (iv) A list of new facility outages that should be analyzed as a result of the Potential Cost Allocation Project; and
- (v) All data underlying the calculation of Estimated Costs; must share sufficient detail to allow the Cost Allocation Task Force to determine the Annualized Cost of the Potential Cost Allocation Project (Note: Estimated Costs may be compared to the WECC Transmission Capital Costs Calculator or some other recognized tool).

The Enrolled Parties Planning Committee or the Cost Allocation Task Force may request additional information at any time and the Qualified Sponsor/Qualified Developer shall promptly provide such other information as may reasonably be requested.

#### 5.2.3.7 Submitting and Updating Sponsored Projects (not including Cost Allocation Projects) included in the prior Regional Transmission Plan

Any Sponsored Project included in the prior Regional Transmission Plan for which the Project Sponsor does not intend to request cost allocation in the current Planning Cycle must be re-submitted as a Sponsored Project within the Submittal Window, along with updates to the information required by Table A, to be considered in the then-current Planning Cycle. To the extent a Project Sponsor fails to submit updated information identified in Table A, then only that information readily available to the Enrolled Parties Planning Committee shall be utilized. Sponsored Projects included in the prior Regional Transmission Plan will no longer be included in the Regional Transmission Plan for the current Planning Cycle if:

- (i) Such project no longer satisfies an Enrolled Party Need; or
- (ii) The Project Sponsor has withdrawn its project.

#### 5.2.3.8 Updating Previous Cost Allocation Projects included in the prior Regional Transmission Plan

The previously Qualified Developer of any Cost Allocation Project selected in the prior Regional Transmission Plan must again qualify in the current Planning Cycle as a Qualified Developer under Section 7.1.2 by submitting, within the Submittal Window, updates to the information required by Table B, until such Cost Allocation Project either (i) is no longer to be included in a Regional Transmission Plan or (ii) has been demonstrated by the Qualified Developer to be a Committed Project. Updates to the information listed in Table A and Section 5.2.3.6 is also requested. However, to the extent a Qualified Developer fails to submit updated information identified in Table A and Section 5.2.3.6, only that

information that is readily available to the Enrolled Parties Planning Committee and the Cost Allocation Task Force shall be utilized. Cost Allocation Projects selected in the prior Regional Transmission Plan will not be included in the Regional Transmission Plan as a Cost Allocation Project for the current Planning Cycle if, in the Planning Cycle, it is determined that:

- (i) All who originally submitted a Request for Cost Allocation on behalf of such project no longer satisfy the criteria in the current Planning Cycle as Qualified Developers under Section 7.1.2;
- (ii) Such project no longer satisfies an Enrolled Party Need;
- (iii) All that properly submitted a Request for Cost Allocation with respect to such Cost Allocation Project have withdrawn their Requests for Cost Allocation;
- (iv) The project is no longer determined to be a more efficient or cost-effective solution to an Enrolled Party Need; or
- (v) Such project has been in the Regional Transmission Plan for three successive Planning Cycles and the Qualified Developer has not demonstrated that such project has achieved the status of being a Committed Project.

#### 5.2.4 Submittal Form and Due Date

All data/information, including Request for Cost Allocation, submitted pursuant to the requirements described in Sections 5.2.1 through 5.2.3 shall be submitted within the Submittal Window to NorthernGrid using the Data Submittal Form (available on the NorthernGrid Website), consistent with the instructions available on the NorthernGrid Website.

#### 5.2.5 Use of Submitted Information

By submitting data/information pursuant to this Attachment K, the submitting entity authorizes the use of the information in all NorthernGrid processes without compensation in any form. Any data/information made available or otherwise provided shall be "AS IS" and any reliance on such information is at one's own risk, without warranty and without any liability of NorthernGrid (or any committee or committee members of NorthernGrid), Transmission Provider, or any entity supplying information.

### 5.3 Review of Submitted Information

The Enrolled Parties Planning Committee is to review the information submitted in accordance with Section 5.2.3. If a Project Sponsor/Qualified Sponsor/Qualified Developer fails to meet the information requirements set forth in Section 5.2.3, the Enrolled Parties Planning Committee is to notify the Project Sponsor/Qualified Sponsor/Qualified Developer of the reasons for such failure. Each Project Sponsor/Qualified Sponsor/Qualified Developer

shall have an opportunity to remedy deficiencies in their submitted data/information. If a Project Sponsor/Qualified Sponsor/Qualified Developer fails to fully remedy such deficiencies by the first April 15<sup>th</sup> of the Planning Cycle, that Project Sponsor's/Qualified Sponsor's/Qualified Developer's proposed transmission project and/or Request for Cost Allocation shall be deemed withdrawn.

#### **5.4 Untimely or Improperly Submitted Requests or Submittals of Information**

Untimely (i.e., information received by NorthernGrid prior to the opening of the Submittal Window or after the Submittal Window has closed, with the exception of (i) information submitted no later than fifteen (15) days after the close of the Submittal Window to remedy a deficiency notice from the Enrolled Parties Planning Committee or (ii) additional data, including projects, for evaluation as part of the preparation of the Draft Regional Transmission Plan to address Enrolled Party Needs identified in the draft Study Scope that is submitted in accordance with Section 6.2) or improperly submitted requests made pursuant to Section 5.2.3, will not be considered.

## **6. Development of Draft Regional Transmission Plan**

### **6.1 Study Scope Development**

The Enrolled Parties Planning Committee is to develop a draft Study Scope. The draft Study Scope shall describe:

- a. Projects submitted, and data gathered in accordance with Section 5.2;
- b. Any Committed Projects (If any project included in the prior Regional Transmission Plan is determined by the Enrolled Parties Planning Committee to be a Committed Project, such project shall be included in the Draft Regional Transmission Plan as a Committed Project and shall not be subject to further evaluation in this Planning Cycle);
- c. The detailed study methodology;
- d. Reliability criteria to be considered;
- e. Enrolled Party Needs, including needs driven by Public Policy Requirements;
- f. Assumptions (including loads, resources, desired flows, constraints);
- g. Baseline Projects of Enrolled Parties;
- h. Each Alternative Project to be considered;
- i. Each Non-Transmission Alternative to be considered;
- j. Databases to be utilized; and
- k. Evaluation scenarios.

### **6.2 Review and Comment; Consideration of Comments; Update Study Scope**

Upon completion of the development of the draft Study Scope, the Enrolled Parties Planning Committee is to post the draft Study Scope on the NorthernGrid Website. Thereafter, the Enrolled Parties Planning Committee is to schedule a public meeting to review the draft Study Scope and solicit comments from stakeholders and the Enrolled Parties and States Committee. NorthernGrid is to post the draft Study Scope and notice of the public meeting on the NorthernGrid Website at least seven (7) calendar days in advance of such meeting.

At the public meeting, the Enrolled Parties Planning Committee is to present the draft Study Scope to stakeholders and the Enrolled Parties and States Committee for comment. Stakeholders and the Enrolled Parties and States Committee have fifteen (15) calendar days following the meeting to submit written comments on the draft Study Scope. NorthernGrid is to:

- a. Post any written comments received;
- b. Post any responses to written comments within fifteen (15) calendar days after the comment period closes; *provided* that either Chair of the Enrolled Parties Planning Committee may extend the time for posting such responses to the extent necessary to allow time to adequately consider and respond; and
- c. Make modifications in response to comments received, as the Enrolled Parties Planning Committee deems appropriate, and finalize the Study Scope.

In addition to the opportunity to comment on the draft Study Scope in accordance with this Section, stakeholders shall also have sixty (60) days following the posting of the draft Study Scope to submit additional data, including projects, for evaluation as part of the preparation of the Draft Regional Transmission Plan to address Enrolled Party Needs identified in the draft Study Scope, including such needs driven by Public Policy Requirements, and Non-Transmission Alternatives and Conceptual Solutions to address such Enrolled Party Needs. Stakeholders shall use the Data Submittal Form to submit data and may use Table A, in Section 5.2.3.5, as guidance for the types of data to be submitted. Stakeholders shall submit such data to NorthernGrid consistent with the instructions available on the NorthernGrid Website, within the sixty (60) day period set forth in this Section. Untimely submissions will not be considered.

After considering comments, and any additional information submitted pursuant to this Section, the Enrolled Parties Planning Committee may modify the draft Study Scope and is to finalize the Study Scope. NorthernGrid is to post the final Study Scope on the NorthernGrid Website. The Enrolled Parties Planning Committee is to document its analysis and results in the Draft Regional Transmission Plan, including the rationale for selecting and excluding transmission needs driven by Public Policy Requirements.

### **6.3 Analysis; Documentation in Draft Regional Transmission Plan**

The Enrolled Parties Planning Committee is to evaluate combinations of the Baseline Projects of Enrolled Parties and Alternative Projects to identify whether there may be a combination that effectively satisfies all Enrolled Party Needs (“Regional Combination”). If a project does not meet any Enrolled Party Need, it will not be considered by Enrolled Parties for inclusion in the Draft Regional Transmission Plan.

Once the Enrolled Parties Planning Committee becomes aware of a Material Adverse Impact on a Neighboring System caused by a Sponsored Project or Alternative Project identified in the Regional Combination, the Project Sponsor is to coordinate with the Neighboring Systems to assess the facilities necessary to mitigate the Material Adverse Impact on the Neighboring Systems. If the Material Adverse Impact cannot be mitigated (by actions within the Enrolled Region or the Neighboring Systems), or the Project Sponsor does not identify solutions to mitigate the Material Adverse Impact on the Neighboring Systems, the Sponsored Project or Alternative Project identified in the Regional Combination will not be selected into the Draft Regional Transmission Plan. The Project Sponsor will provide the Mitigation Cost for each Material Adverse Impact to the Enrolled Parties Planning Committee. The Enrolled Parties Planning Committee will determine the Mitigation Cost for each Material Adverse Impact for any Conceptual Solution. The Enrolled Parties Planning

Committee will review and adjust the Mitigation Cost for each project and then associate the Mitigation Cost of each Material Adverse Impact to each project causing the Material Adverse Impact. The Enrolled Parties Planning Committee is to document its analysis and results in the Draft Regional Transmission Plan.

#### **6.4 Review and Comment; Consideration of Comments; Update Draft Regional Transmission Plan**

Upon development of the Draft Regional Transmission Plan, the Enrolled Parties Planning Committee is to post the Draft Regional Transmission Plan on the NorthernGrid Website. Thereafter, the Enrolled Parties Planning Committee is to schedule a public meeting to review the Draft Regional Transmission Plan and solicit comments from stakeholders and the Enrolled Parties and States Committee. The Enrolled Parties Planning Committee is to post the Draft Regional Transmission Plan and notice of the public meeting on the NorthernGrid Website at least seven (7) calendar days in advance of such meeting.

At the public meeting, the Enrolled Parties Planning Committee is to present the Draft Regional Transmission Plan to stakeholders and the Enrolled Parties and States Committee for comment. Stakeholders and the Enrolled Parties and States Committee have fifteen (15) calendar days following the meeting to submit written comments on the Draft Regional Transmission Plan. Comments may include changes to the data provided pursuant to Section 5.2.

The Enrolled Parties Planning Committee is to:

- a. Post any written comments received;
- b. Post any responses to written comments within fifteen (15) calendar days after the comment period closes; provided that the Enrolled Party Chair of the Enrolled Parties Planning Committee may extend the time for posting such responses to the extent necessary to allow time to adequately consider and respond; and
- c. Make modifications in response to comments received, as the Enrolled Parties Planning Committee deems appropriate, to the Study Scope based upon additional information about new or changed circumstances related to loads, resources, transmission projects or Alternative Solutions, or identified changes to data provided and then, based upon the updated Study Scope, update the analysis performed in accordance with Section 6.3 “Analysis; Documentation in the Draft Regional Transmission Plan”; and
- d. Make modifications in response to comments received and/or make modifications resulting from the updated analysis performed in accordance with sub-section (c) above, as the Enrolled Parties Planning Committee deems appropriate, to the Draft Regional Transmission Plan.

#### **6.5 Comparability**

In developing the Study Scope and the Draft Regional Transmission Plan, the Enrolled Parties Planning Committee is to consider all timely submitted information, including information

and comments received from stakeholders, comparably to address Enrolled Party Needs including reliability requirements, economic considerations, and Public Policy Requirements.



## 7. Qualifying to Request Cost Allocation

### 7.1 Qualification Process for/to Submit a Project for Cost Allocation

#### 7.1.1 Qualification to Request Cost Allocation

Any Enrolled Party, Non-Incumbent Transmission Developer (that has satisfied the requirements of Section 4.2.3), or ITP Proponent (that has satisfied the requirements of Section 4.2.4) that does not intend to develop the project for which it intends to submit a Request for Cost Allocation, is deemed a Qualified Sponsor. Any Enrolled Party, Non-Incumbent Transmission Developer (that has satisfied the requirements of Section 4.2.3) or ITP Proponent (that has satisfied the requirements of Section 4.2.4) that does intend to develop the project for which it intends to submit a Request for Cost Allocation must first qualify in accordance with Section 7.1.2 to become a Qualified Developer.

#### 7.1.2 Qualification Process

Any Enrolled Party, Non-Incumbent Transmission Developer (that has satisfied the requirements of Section 4.2.3) or ITP Proponent (that has satisfied the requirements of Section 4.2.4) that intends to develop a project for which it intends to submit a Request for Cost Allocation must submit, within the Submittal Window, the qualification data described in Table B below, through the NorthernGrid Website, using the Developer Qualification Data Form found on the NorthernGrid Website.

<b>Category</b>	<b>Information to be Provided</b>	<b>Criteria for Evaluation of Information</b>
Project Sponsor's Identification	1. name 2. address 3. primary contact information, including: (i) name and title (ii) phone number (iii) address (iv) email address	Assess whether required data was submitted.
Project Sponsor's Experience	1. years in business 2. description of any relevant experience, including management and technical experience, developing, constructing, owning, and/or operating a project of similar size and scope as the Sponsored Project	Assess whether information indicates experience, including managerial and technical expertise in developing, constructing (or managing construction), owning, and/or operating comparable projects.
Reliance on Third Parties	1. identification of any third parties that the Project Sponsor intends to rely on for management, development, operating, or technical expertise	Assess whether information indicates the third party has experience, including managerial and technical

<b>Table B. Developer Qualification Data Requirements</b>		
<b>Category</b>	<b>Information to be Provided</b>	<b>Criteria for Evaluation of Information</b>
	2. description of the expertise the third party is expected to provide 3. information from which such third party's financial ability to perform can be evaluated, which may include information substantially similar to the information listed with regard to the Project Sponsor's financial ability below	expertise in developing, constructing (or managing construction), and/or operating comparable projects.
Project Sponsor's Financials	1. demonstrate that Project Sponsor, or Project Sponsor's parent, has either an investment grade rating or has a minimum tangible net worth of \$1,000,000 or total assets of \$10,000,000 2. provide information from which Project Sponsor's creditworthiness can be evaluated, which may include the following (to the extent they exist): (i) most recent annual report (ii) most recent quarterly report (iii) last two most recent audited year-end financial statements (iv) rating agency reports (v) any material issues that could affect the credit rating, including any pending or expected litigation or investigations (vi) other information supporting Project Sponsor's financial ability	Assess whether the information was submitted and satisfied the criteria.
Affirmation	a signed affirmation by an authorized officer of Project Sponsor that the information provided under this Section is true, accurate, and compete to the best of such authorized officer's knowledge and belief	Assess whether the information was submitted.

### 7.1.3 Evaluation of Project Sponsor Submissions

The data submitted pursuant to Section 7.1.2 shall be evaluated to determine whether such entity has the minimum qualifications to develop the project submitted. For each Planning Cycle the Cost Allocation Task Force is to apply the criteria identified in Table B in a comparable and non-discriminatory manner. The sufficiency of the qualification data will be determined by the Cost Allocation Task Force. The Cost Allocation Task Force Co-Chairs are to provide the Project Sponsor with written notice of the Cost Allocation Task Force's determinations. The notice will provide either that the entity satisfies the qualification data requirements or will

identify specific deficiencies. An entity that has satisfied the qualification data requirements is referred to as a “Qualified Developer.”

#### 7.1.4 Opportunity to Cure Deficiencies and Failure to Cure

If the Cost Allocation Task Force identifies deficiencies in the qualification data submitted by an entity, such entity has fifteen (15) calendar days from the date of notice of deficiencies to cure the identified deficiencies. If deficiencies are not timely cured, the Cost Allocation Task Force Chair is to provide the entity with written notice that it is not qualified to develop the project for which it intended to request cost allocation pursuant to Sections 5.2.3.2 or 5.2.3.3 in the Planning Cycle. An entity that fails to become a Qualified Sponsor may seek to qualify during the Submittal Window in the next Planning Cycle.

## 8. Cost Allocation

### 8.1 Projects Eligible for Cost Allocation Consideration

The Cost Allocation Task Force is to identify whether a cost allocation analysis is required for any Potential Cost Allocation Project that was identified within a Regional Combination in Section 6.3 and included in the Draft Regional Transmission Plan. This is to be accomplished by the Cost Allocation Task Force confirming that each such Potential Cost Allocation Project has Estimated Costs exceeding \$20 million. Such a Potential Cost Allocation Project is then referred to as a “Project for Cost Allocation Consideration.” Any Potential Cost Allocation Project with Estimated Costs that do not exceed \$20 million will no longer be considered for cost allocation in the Planning Cycle.

### 8.2 Total Project Cost and Annualized Cost of Projects for Cost Allocation Consideration

The Cost Allocation Task Force is to determine the Total Project Cost of each Project for Cost Allocation Consideration. The Cost Allocation Task Force is also to determine the Annualized Cost of each Project for Cost Allocation Consideration as set forth in this Section 8.2.

#### 8.2.1 Annualized Cost of a Project That Is Not an ITP

The Annualized Cost is a levelized annual cost over the life of the Project for Cost Allocation Consideration. When determining the Annualized Cost of a project that is not an ITP, the Cost Allocation Task Force shall include the following, as applicable:

- a. Estimated annualized revenue requirement of the Estimated Cost submitted pursuant to row K of Table A found in Section 5.2.3.5, as such may be updated pursuant to either Section 5.2.3.8 or Section 6.4;
- b. Estimated annualized revenue requirement of the Mitigation Cost identified in Section 6.3, to mitigate the Material Adverse Impact on the Neighboring Systems associated with a Project for Cost Allocation Consideration.

The annualized revenue requirement of the Estimated Cost and the annualized revenue requirement of the Mitigation Costs will include assumptions for annual return (both debt and equity), depreciation, taxes other than income, operation and maintenance expense, and income taxes. The Cost Allocation Task Force may make adjustments to the annual revenue requirements and underlying assumptions submitted pursuant to row K of Table A in Section 5.2.3.5 as it in its professional judgment determines to be necessary. If no revenue requirements or assumptions are submitted, the Cost Allocation Task Force is to determine, in its professional judgment, the annual revenue requirements and underlying assumptions. Such adjustments or determinations are to be explained in the Draft Regional Transmission Plan.

When determining the Annualized Cost of each Project for Cost Allocation Consideration, the Cost Allocation Task Force may make adjustments to the Estimated Cost and Mitigation Cost submitted, using the WECC Transmission Capital Costs Calculator (or some other recognized tool), as the Cost Allocation Task Force

in its professional judgment determines to be necessary. Such adjustments are to be explained in the Draft Regional Transmission Plan.

#### 8.2.2 Annualized Cost of an ITP

With respect to the Annualized Cost of an ITP, the Cost Allocation Task Force shall annualize, in the manner described in Section 8.2.1, the Assigned Regional Costs from Interregional Cost Allocation, as determined in accordance with Section 11.6.

### **8.3 Identify More Efficient or Cost-Effective Solutions; Documentation in Draft Regional Transmission Plan**

The Cost Allocation Task Force is to evaluate the Projects for Cost Allocation Consideration to determine whether any such projects are a more efficient or cost-effective solution to an Enrolled Party Need.

In determining whether a Project for Cost Allocation Consideration is the more efficient or cost-effective solution to an Enrolled Party Need, the Cost Allocation Task Force is to consider the following factors:

- a. Sponsorship and degree of development;
- b. Feasibility;
- c. Coordination with any affected transmission system;
- d. Economics;
- e. Effectiveness of performance;
- f. Satisfaction of an Enrolled Party's Need, including the extent to which the proposed solution satisfies multiple Enrolled Parties' Needs;
- g. Mitigation of any Material Adverse Impact of such proposed solution on any transmission system; and
- h. Consistency with applicable state, regional, and federal planning requirements and regulations.

No single factor is necessarily to be determinative in evaluating proposed solutions to address Enrolled Party(ies) Needs.

Any Project for Cost Allocation Consideration that is determined to be more efficient or cost-effective will then be incorporated within the Draft Regional Transmission Plan as an "Eligible Cost Allocation Project." The Cost Allocation Task Force is to document its analysis and results in the Draft Regional Transmission Plan, including analysis and results regarding any Project for Cost Allocation Consideration that is determined to not be the more efficient or cost-effective and thus not eligible for cost allocation.

## **8.4 Benefits of An Eligible Cost Allocation Project**

The Benefits of any Eligible Cost Allocation Project are, Deferred Costs, Avoided Capital Costs, and Increased Useful Available Transfer Capability directly attributable to such Eligible Cost Allocation Project. Each Benefit is described and will be evaluated as set forth below. Each Benefit is converted to a levelized annual amount and assumed to continue over the life of the Eligible Cost Allocation Project.

### **8.4.1 Deferred Costs**

Deferred Costs of an Enrolled Party are a Benefit of such Enrolled Party. The Deferred Costs of an Enrolled Party for an Eligible Cost Allocation Project are the projected avoided costs of such Enrolled Party's deferred transmission facilities over the deferred period that are directly attributable to such Eligible Cost Allocation Project. Deferred Costs are to be calculated for each Enrolled Party based on the revenue requirement avoided over each year of the deferral period (i.e. annual return (both debt and equity), depreciation, taxes other than income, operation and maintenance expense, and income taxes), and then annualized over the life of the Eligible Cost Allocation Project.

### **8.4.2 Avoided Capital Costs**

Avoided Capital Costs of an Enrolled Party are a Benefit of such Enrolled Party. The Avoided Capital Costs of an Enrolled Party for an Eligible Cost Allocation Project are the avoided costs of eliminated transmission facilities for such Enrolled Party that are directly attributable to such Eligible Cost Allocation Project. Avoided Capital Costs are to be calculated for each Enrolled Party based on the revenue requirement avoided over each year of the life of the Eligible Cost Allocation Project (i.e. annual return (both debt and equity), depreciation, taxes other than income, operation and maintenance expense, and income taxes), and then annualized over the life of the Eligible Cost Allocation Project.

### **8.4.3 Increased Useful Available Transfer Capability ("ATC")**

Increased Useful ATC of an Enrolled Party is a Benefit to such Enrolled Party. The Increased Useful ATC of an Enrolled Party for an Eligible Cost Allocation Project is the increased annual revenue from sales at cost-based rates projected to be accrued by such Enrolled Party over the life of the Eligible Cost Allocation Project due to an increase in transmission capacity on such Enrolled Party's Transmission System, where such increase in transmission capacity is a direct result of such Eligible Cost Allocation Project. The increased annual revenue from sales includes both sales enabled on existing transmission facilities as a result of the Eligible Cost Allocation Project and sales revenue for sales on the Eligible Cost Allocation Project. The Qualified Sponsor(s)/Qualified Developer(s) of such Eligible Cost Allocation Project and other Enrolled Parties projected to receive increased sales revenue as a result of the Eligible Cost Allocation Project each may receive a Benefit.

## 8.5 Allocation of Total Project Cost to Enrolled Party Beneficiaries

The Cost Allocation Task Force is to identify the Enrolled Party Beneficiaries of each Eligible Cost Allocation Project, evaluate the Benefit-to-Cost Ratio of each Eligible Cost Allocation Project, and, if Benefit-to-Cost Ratio is satisfied, allocate Total Project Cost of each Eligible Cost Allocation Project to the Enrolled Party Beneficiaries of each Eligible Cost Allocation Project.

### 8.5.1 Identification of Enrolled Party Beneficiaries

For each Eligible Cost Allocation Project, the Cost Allocation Task Force is to identify the Enrolled Parties that have a Benefit pursuant to Sections 8.4.1, 8.4.2, and/or 8.4.3 directly attributable to such Eligible Cost Allocation Project (each Enrolled Party that has a Benefit is referred to as an “Enrolled Party Beneficiary”).

### 8.5.2 Evaluation of Benefit-to-Cost Ratio; Documentation in Draft Regional Transmission Plan

The Cost Allocation Task Force is to calculate the Benefit-to-Cost Ratio of each Eligible Cost Allocation Project by summing the Benefits (annualized) identified in Sections 8.4.1, 8.4.2, and 8.4.3 for all Enrolled Party Beneficiaries as determined in Section 8.5.1 and dividing that sum by the Annualized Cost of such Eligible Cost Allocation Project as determined in Section 8.2.1 or 8.2.2, as applicable. If the Benefit-to-Cost Ratio calculated for the Eligible Cost Allocation Project is greater than or equal to 1.25, such project is a “Preliminary Cost Allocation Project.” In the event the Benefit-to-Cost Ratio for the Eligible for Cost Allocation Project is less than 1.25, such project is no longer eligible for cost allocation. The Cost Allocation Task Force is to incorporate the results into the Draft Regional Transmission Plan and document the reasons for the decisions made.

#### **Example 1: Application of Benefit-to-Cost Ratio (for illustrative purposes only)**

Annualized Cost of Eligible Cost Allocation Project =	\$100M
Beneficiary A’s Annualized Benefits =	\$60M
Beneficiary B’s Annualized Benefits =	\$50M
Beneficiary C’s Annualized Benefits =	<u>\$90M</u> (Beneficiary C is the Sponsor)
Total benefits =	\$200M

In this example, the Benefit-to-Cost Ratio exceeds 1.25 and, therefore, the Eligible Cost Allocation Project becomes classified as a “Preliminary Cost Allocation Project.”

### 8.5.3 Allocation of Total Project Cost to Enrolled Party Beneficiaries

The Cost Allocation Task Force is to calculate the allocation of the Total Project Cost of each Preliminary Cost Allocation Project to each Enrolled Party Beneficiary of such Preliminary Cost Allocation Project. Total Project Cost of each Preliminary Cost Allocation Project (less any amount voluntarily accepted by a Person pursuant to

Section 8.5.4) shall be allocated to each Enrolled Party Beneficiary of such Preliminary Cost Allocation Project based upon the Benefits (in dollars) applicable to each such Enrolled Party Beneficiary divided by the total Benefits (in dollars) applicable to all Enrolled Party Beneficiaries of such Preliminary Cost Allocation Project with that result multiplied by the Total Project Cost of the Preliminary Cost Allocation Project as expressed in the Formula 1 (the “Cost Allocation Methodology”). The Cost Allocation Task Force shall as soon as practical provide each Enrolled Party Beneficiary with the results from its application of the Cost Allocation Methodology for any Preliminary Cost Allocation Project.

**Formula 1: Allocation of Total Project Cost to Enrolled Party Beneficiaries**

$$D = (B / C) A$$

Where, for a Preliminary Cost Allocation Project:

“A” equals the Total Project Cost of the Preliminary Cost Allocation Project as determined in Section 8.2.1 (less any amount accepted by a Person pursuant to Section 8.5.4).

“B” equals the dollar amount of Benefits identified in Sections 8.4.1, 8.4.2, and 8.4.3 for a specific Enrolled Party Beneficiary.

“C” equals the dollar amount of the sum of Benefits calculated in Sections 8.4.1, 8.4.2, and 8.4.3 for all Enrolled Party Beneficiaries.

“D” equals the dollar amount of the Total Project Cost of the Preliminary Cost Allocation Project to be allocated to the specific Enrolled Party Beneficiary for which “B” applies.

This formula is to be applied to each Enrolled Party Beneficiary of the Preliminary Cost Allocation Project.

**Example 2: Allocation of Total Project Cost to Enrolled Party Beneficiaries (for illustrative purposes only)**

Example 2 builds upon the facts described in Example 1 above, and allocates the Preliminary Cost Allocation Project’s \$100M costs to each Enrolled Party Beneficiary as follows:

Enrolled Party Beneficiary A: (\$60M/\$200M) \$100M	=	\$30M
Enrolled Party Beneficiary B: (\$50M/\$200M) \$100M	=	\$25M
Enrolled Party Beneficiary C: (\$90M/\$200M) \$100M	=	<u>\$45M</u>
Total	=	\$100M



#### 8.5.4 Acceptance of Total Project Cost; Removal from Cost Allocation

Upon receipt of the results of the Cost Allocation Task Force’s application of the Cost Allocation Methodology to a Sponsored Preliminary Cost Allocation Project pursuant to Section 8.5.3 and prior to the Cost Allocation Task Force transmitting its results to the Planning Committee for inclusion in the Draft Regional Transmission Plan, the Enrolled Parties shall have thirty (30) calendar days to arrange participant funding for the Preliminary Cost Allocation Project (the “Negotiation Period”). On or before the conclusion of the Negotiation Period, the Project Sponsor shall notify the Cost Allocation Task Force of its election to proceed based upon one of the following three options:

- a. Continue with Cost Allocation – whereby the Cost Allocation Task Force is to proceed with notifying the Planning Committee of the results of its cost allocation.
- b. Hybrid Allocation—whereby the Project Sponsor includes with its notice of election a writing signed by one or more Persons (excluding Beneficiaries) agreeing to accept a specific allocation of the Total Project Cost of a Preliminary Cost Allocation Project (“Voluntary Allocation”).
- c. Withdrawal —whereby the Project Sponsor voluntarily withdraws its request for cost allocation of the Preliminary Cost Allocation Project in the Planning Cycle.

In the event the “Continue with Cost Allocation” option is selected, the Cost Allocation Task Force shall provide the Planning Committee with the results of its cost allocation.

In the event the “Hybrid Allocation” option is selected, the Cost Allocation Task Force shall subtract the amount of Voluntary Allocation from the Total Project Cost of the Preliminary Cost Allocation Project. The Cost Allocation Task Force shall then allocate the remainder of the Total Project Cost of the Preliminary Cost Allocation Project to the Beneficiaries in accordance with the methodology set forth in Section 8.5.3 and provide the Planning Committee with the results of its cost allocation that takes into account the Voluntary Allocation.

In the event the “Withdrawal” option is selected, the Cost Allocation Task Force shall notify the Planning Committee that the Project Sponsor has withdrawn its request for cost allocation.

#### 8.5.5 Results from Cost Allocation Methodology; Documentation in Draft Final Regional Transmission Plan

Unless a Preliminary Cost Allocation Project is removed from cost allocation consideration, the Cost Allocation Task Force is to select only Qualified Developer submitted Preliminary Cost Allocation Projects submitted for purposes of cost allocation (“Cost Allocation Project”) and incorporate the results from its application of the Cost Allocation Methodology for such Cost Allocation Project in the Draft

Final Regional Transmission Plan. The Cost Allocation Task Force is to post such results on the NorthernGrid Website and post notice of, and hold, a public meeting in accordance with the Cost Allocation Task Force Charter to review the results. The Cost Allocation Task Force will then incorporate and document any comments received and the analysis, rationale, and results associated with the Qualified Developer's submitted Preliminary Cost Allocation Projects and the conclusion of any negotiation efforts, into the Draft Final Regional Transmission Plan and document the reasons for the decisions made.

## **8.6 Exclusions**

Projects undertaken in connection with requests for interconnection or transmission service under this Tariff will be governed solely by the provisions of the Tariff applicable to such requests for interconnection or transmission service.

## 9. Regional Transmission Plan

### 9.1 Preparation and Posting of Draft Final Regional Transmission Plan

The Enrolled Parties Planning Committee is to post a Draft Final Regional Transmission Plan by the end of the last September in the Planning Cycle. The Draft Final Regional Transmission Plan is to include:

- i. A list of each Cost Allocation Project along with the results of the application of the Cost Allocation Methodology for such Cost Allocation Project including identification of each Enrolled Party Beneficiary, the share of the Total Project Cost allocated to each such Enrolled Party Beneficiary, and the Benefits identified for each such Enrolled Party Beneficiary;
- ii. Whether, and, if so, the extent to which costs of any Cost Allocation Project were voluntarily assumed by any other Person;
- iii. A list of any ITP(s) for which joint evaluation has been requested; and
- iv. A list of any projects listed as Cost Allocation Projects in the prior Regional Transmission Plan that, in accordance with Section 5.2.3.8, will not be included in the current Regional Transmission Plan as a Cost Allocation Project.

### 9.2 Review and Comment; Consideration of Comments; Update Draft Final Regional Transmission Plan; Regional Transmission Plan

Upon development of the Draft Final Regional Transmission Plan, the Enrolled Parties Planning Committee is to post the Draft Final Regional Transmission Plan on the NorthernGrid Website. Thereafter, the Enrolled Parties Planning Committee is to schedule a public meeting to present the Draft Final Regional Transmission Plan and solicit comments from stakeholders and the Enrolled Parties and States Committee. NorthernGrid is to post the Draft Final Regional Transmission Plan and notice of the public meeting on the NorthernGrid Website at least seven (7) calendar days in advance of such meeting.

Stakeholders and the Enrolled Parties and States Committee have fifteen (15) calendar days following the meeting to submit written comments on the Draft Final Regional Transmission Plan. NorthernGrid is to:

- a. Post any written comments received;
- b. Post any responses to written comments within fifteen (15) calendar days after the comment period closes; provided that the Chair of the Enrolled Parties Planning Committee may extend the time for posting such responses to the extent necessary to allow time to adequately consider and respond;
- c. Make modifications in response to comments received, as the Enrolled Parties Planning Committee deems appropriate, to the Draft Final Regional Transmission Plan; and

- d. Cause the Final Regional Transmission Plan developed through the processes outlined in this Attachment K to be issued.

## **Part D. Interregional Coordination and Cost Allocation Process**

### **10. Common Interregional Coordination and Cost Allocation Process**

#### **10.1 Introduction**

This Section 10 of Attachment K sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order No. 1000 interregional provisions. NorthernGrid is to conduct the activities and processes set forth in this Section 10 of Attachment K in accordance with the provisions of this Section 10 of Attachment K and the other provisions of this Attachment 10.

Nothing in this Section 10 of Attachment K 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 10 of Attachment K to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order No. 1000.

#### **10.2 Annual Interregional Information Exchange**

Annually, prior to the Annual Interregional Coordination Meeting, NorthernGrid is to make available by posting on the NorthernGrid 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 (Enrolled Party Needs) in NorthernGrid's Enrolled Region and Potential Solutions thereto:

- (i) Study Scope or underlying information that would typically be included in a Study Scope, 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.")

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

NorthernGrid is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by NorthernGrid 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 NorthernGrid 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 NorthernGrid shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under NorthernGrid's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by NorthernGrid 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 NorthernGrid, Transmission Provider, or any entity supplying information in NorthernGrid's regional transmission planning process, 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.

### **10.3 Annual Interregional Coordination Meeting**

The NorthernGrid Enrolled Region is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. NorthernGrid 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. NorthernGrid 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:

1. Each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);
2. 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
3. Updates of the status of any ITP being evaluated or previously included in NorthernGrid's Regional Transmission Plan.

## 10.4 ITP Joint Evaluation Process

### 10.4.1 Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section 10.4.2 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.

### 10.4.2 Joint Evaluation of an ITP

For each ITP that meets the requirements of Section 10.4.1, the NorthernGrid Enrolled Region (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 10.4.1 or the immediately following calendar year. With respect to any such ITP, the NorthernGrid Enrolled Region (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 10.4.1, the NorthernGrid Enrolled Region (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 NorthernGrid's evaluation of the ITP;
- b. Is to provide stakeholders an opportunity to participate in NorthernGrid's activities under this Section 10.4.2 in accordance with its regional transmission planning process;
- c. Is to notify the other Relevant Planning Regions if the NorthernGrid Enrolled Region determines that the ITP will not meet any of its regional transmission needs; thereafter the NorthernGrid Enrolled Region has no obligation under this Section 10.4.2 to participate in the joint evaluation of the ITP; and

- d. Is to process the ITP in accordance with its regional transmission planning process.

## 10.5 Interregional Cost Allocation Process

### 10.5.1 Submission Requirements

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with Section 10.4.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from the NorthernGrid Enrolled Region 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.

### 10.5.2 Interregional Cost Allocation Process

For each ITP that meets the requirements of Section 10.5.1, the NorthernGrid Enrolled Region (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) The NorthernGrid Enrolled Region'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 10.6.2) to each Relevant Planning Region using the methodology described in this Section 10.5.2.

For each ITP that meets the requirements of Section 10.5.1, the NorthernGrid Enrolled Region (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 NorthernGrid's analysis;
- b. Is to provide stakeholders an opportunity to participate in NorthernGrid's activities under this Section 10.5.2 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 the NorthernGrid Enrolled Region, NorthernGrid 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; the NorthernGrid Enrolled Region may use such information to identify its total share of the projected costs of the ITP to be assigned to the NorthernGrid Enrolled Region in order to determine whether the ITP is a more efficient or cost-effective solution to a transmission need in the NorthernGrid Enrolled Region;
- 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 10.5.2 in the same general time frame as its joint evaluation activities pursuant to Section 10.4.2.

## **10.6 Application of Regional Cost Allocation Methodology to Selected ITP**

### **10.6.1 Selection by All Relevant Planning Regions**

If the NorthernGrid Enrolled Region (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, the NorthernGrid Enrolled Region is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections 10.5.2(d) or 10.5.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

### **10.6.2 Selection by at Least Two but Fewer than All Relevant Planning Regions**

If the NorthernGrid Enrolled Region (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, the NorthernGrid is to evaluate (or reevaluate, as the case may be) pursuant to Sections 4.5.2(d), 4.5.2(e), and 4.5.2(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 the

NorthernGrid Enrolled Region and at least one other Relevant Planning Region, the NorthernGrid Enrolled Region is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections 10.5.2(d) or 10.5.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

## **11. ITPs, Joint Evaluation, and Interregional Cost Allocation**

### **11.1 Introduction**

This Section 11 of Attachment K only applies to ITPs for which the NorthernGrid Enrolled Region is a Relevant Planning Region and does not apply to any ITP for which the NorthernGrid Enrolled Region is not a Relevant Planning Region.

### **11.2 Entities That May Submit an ITP for Joint Evaluation**

Any Person that seeks to submit an ITP for joint evaluation pursuant to Sections 10 and 11 of this Attachment K must submit the ITP into the NorthernGrid Enrolled Region's regional transmission planning process in accordance with Section 5.2.3 of this Attachment K, and must submit the ITP into the planning process of all Relevant Planning Regions.

### **11.3 Confirmation from Relevant Planning Regions**

NorthernGrid is to seek to confirm with each other Relevant Planning Region that such Enrolled Party or ITP Proponent has submitted such ITP for evaluation into the regional transmission planning process of each other Relevant Planning Region in accordance with the regional transmission planning process of such Relevant Planning Region(s). In the event that NorthernGrid is unable to confirm that the Enrolled Party or ITP Proponent has submitted its ITP for evaluation into the regional transmission planning process of each other Relevant Planning Region in accordance with the regional transmission planning process of such Relevant Planning Region(s), NorthernGrid is to notify the ITP Proponent in writing, and the ITP Proponent is to have thirty (30) calendar days from the date of such notice to provide NorthernGrid evidence, reasonably acceptable to NorthernGrid, that the ITP Proponent has timely submitted its ITP for evaluation to each other Relevant Planning Region(s). If an ITP Proponent fails to provide such evidence, the ITP Proponent's ITP is to be deemed withdrawn.

### **11.4 Submit ITP Information**

Prior to commencing the joint evaluation of an ITP pursuant to Sections 10 and 11 of this Attachment K, an ITP Proponent that is seeking such evaluation of an ITP is to submit to the NorthernGrid Enrolled Region information in accordance with Section 5.2.3 of this Attachment K, which is, to the extent permitted by law, to include a copy of all ITP data being submitted by the ITP Proponent to any of the other Relevant Planning Regions for such ITP.

### **11.5 Joint Evaluation Implementation**

For purposes of the NorthernGrid Enrolled Region's evaluation of an ITP pursuant to Sections 10 and 11 of this Attachment K, evaluation of such ITP is to be through the NorthernGrid Enrolled Region's transmission planning processes as set forth in this Attachment K.

## 11.6 Interregional Cost Allocation Process

For each ITP that meets the requirements of Sections 11.1 and 11.2, the NorthernGrid Enrolled Region (if and so long as it is a Relevant Planning Region) is to:

- (i) Pursuant to item (c) of Section 10.5.2 of this Attachment K, determine the amount, if any, of Regional Benefits for Purposes of Interregional Cost Allocation resulting from such ITP;
- (ii) Pursuant to item (ii) of Section 10.5.2 of this Attachment K, notify each of the other Relevant Planning Regions with respect to such ITP of the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP so determined;
- (iii) Pursuant to item (d) of Section 10.5.2, calculate the NorthernGrid Enrolled Region's assigned pro rata share of the projected costs of such ITP (such share is also referred to as "Assigned Regional Costs from Interregional Cost Allocation"), which share is to be equal to the product of the projected costs of such ITP multiplied by a fraction, the numerator of which is to be the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and the denominator of which is to be the sum of (a) the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and (b) the sum of the regional benefits of each other Relevant Planning Region as calculated with respect to such ITP by such other Relevant Planning Region in accordance with its regional transmission planning process and provided to the NorthernGrid Enrolled Region by such other Relevant Planning Region;
- (iv) If an ITP is identified as an Eligible Cost Allocation Project pursuant to Section 8.3, NorthernGrid's Cost Allocation Task Force is to proceed with the cost allocation analysis described in Section 8.5. Pursuant to item (e) of Section 10.5.2 of this Attachment K, NorthernGrid is to share the above determination with the other Relevant Planning Regions with regard to such ITP; and
- (v) If NorthernGrid receives information pursuant to item (e) of Section 10.5.2 of Attachment K from one or more other Relevant Planning Regions regarding what such Relevant Planning Region's regional cost allocation would be if it were to select the ITP in its Regional Transmission Plan for purposes of Interregional Cost Allocation and what, if any, additional amount of projected project costs of such ITP its methodology would be attributable to the NorthernGrid Enrolled Region, the NorthernGrid Enrolled Region may use such information to identify an additional amount of projected costs of the ITP to be assigned to the NorthernGrid Enrolled Region if such additional amount is properly allocable to an Beneficiary(ies) as an owner(s) or operator(s) of such ITP (any such additional, properly allocable, amount is also referred to as "Additional Regional Costs from Interregional Cost Allocation").

## **Part E. Economic Study Request**

### **12. Economic Study Requests**

#### **12.1 Performance of Economic Studies**

##### **12.1.1 Regional**

NorthernGrid, in coordination with Enrolled Parties and the Enrolled Parties Planning Committee, is to perform in accordance with this Part E of this Attachment K economic studies pursuant to requests submitted by stakeholders in accordance with Section 12.2.1 of this Attachment K related to conditions within the Enrolled Party Region.

##### **12.1.2 Local**

Transmission Provider, in accordance with this Part E of this Attachment K, is to perform economic studies pursuant to requests submitted by stakeholders in accordance with Section 12.2.2 of this Attachment K related to conditions within the Transmission Provider's Transmission System.

#### **12.2 Stakeholder Requests to Perform an Economic Study**

##### **12.2.1 Regional**

A stakeholder, which includes Enrolled Parties, may request that NorthernGrid initiate a study to examine scenarios where potential transmission solutions or investments could result in:

- a. a net reduction in total production cost to supply system load;
- b. reduced congestion; or
- c. the integration of new resources and/or loads on an aggregate or regional basis (a "Regional Economic Study").

##### **12.2.2 Local**

A stakeholder may request that Transmission Provider initiate a study related to conditions within the Transmission Provider's Transmission System to examine scenarios where potential transmission solutions or investments could result in:

- (i) a net reduction in total production cost to supply system load;
- (ii) reduced congestion; or
- (iii) the integration of new resources and/or loads on an aggregate basis (a "Local Economic Study").

### 12.3.3 Study Characteristics

Any economic study performed must focus on evaluating high-level metrics depicting various possible future scenarios of expanding the power system and quantifying the advantages and disadvantages associated with each scenario. Any Economic Study Request that seeks to focus on the performance of individual assets shall not be performed.

### 12.2.4 Study Report

A Regional Economic Study is documented in a stand-alone report that is separate from the Regional Transmission Plan. A Local Economic Study is documented in a stand-alone report that is separate from the Local Transmission Plan and the Regional Transmission Plan.

## 12.3 Submission, Consideration and Prioritization of Economic Study Requests

Requests for a Regional Economic Study or a Local Economic Study shall be submitted, considered and prioritized as follows:

- a. Between January 1 and March 31 each year, a stakeholder may submit a Regional Economic Study request to NorthernGrid through the NorthernGrid Website; and a stakeholder may submit a Local Economic Study request to the Transmission Provider by completing the request form which is maintained on Transmission Provider's OASIS.
- b. Any Economic Study Request must describe the information to be evaluated and include information known by the requester that is relevant to the requested study.
- c. The Enrolled Parties Planning Committee, in the context of a request for a Regional Economic Study, is to develop a rough work scope and cost estimate for all requested Regional Economic Studies and develop a preliminary prioritization or a recommendation to cluster, based on the Enrolled Parties Planning Committee's perceived regional benefits, to assist in the prioritization of Regional Economic Study requests. The Transmission Provider, in the context of a request for a Local Economic Study, is to develop a rough work scope and cost estimate for all requested Local Economic Studies associated with the Transmission Provider, and develop preliminary prioritization based on the Transmission Provider's perceived local benefits, to assist in the prioritization of Local Economic Study requests, which may include clustering, if appropriate.
- d. By no later than June 1 of each year, NorthernGrid is to hold a meeting of the Enrolled Parties Planning Committee for the members of the Enrolled Parties Planning Committee to discuss, identify, and prioritize, up to one (1) Regional Economic Study to be performed in a given year by NorthernGrid, and at no cost to the requestor, taking into consideration its impact on the NorthernGrid budget and other priorities. By no later than June 1 of each year, Transmission Provider receiving a Local Economic Study Request is to identify and prioritize, up to one (1) Local Economic Study to be performed in a given year by the Transmission Provider,

and at no cost to the requestor, taking into consideration the impact of performing such study on the Transmission Provider's budget and its other priorities. Regional Economic Studies and Local Economic Studies are intended to be completed by calendar year-end.

- e. The Enrolled Parties Planning Committee in the context of a Regional Economic Study or the Transmission Provider in the context of a Local Economic Study may respectively agree to hold additional meetings to further discuss and resolve any issue concerning the substance of the Regional Economic Studies or Local Economic Studies themselves and/or their prioritization.
- f. The Enrolled Parties Planning Committee is to publish a notice on the NorthernGrid Website detailing the prioritization of the Regional Economic Studies. The Transmission Provider is to publish a notice on its OASIS detailing the prioritization of Local Economic Studies.

The foregoing timelines are subject to adjustment as determined by the Enrolled Parties Planning Committee in the context of Regional Economic Studies or the Transmission Provider in the context of Local Economic Studies.

Any study proponent may request and pay for NorthernGrid to perform a Regional Economic Study beyond the one Regional Economic Study per year identified in Section 12.3(d), and any study proponent may request and pay for the Transmission Provider to perform a Local Economic Study beyond the one Local Economic Study per year identified in Section 12.3(d).

## **12.4 Support for the Preparation of Economic Studies**

### **12.4.1 Regional**

For the development of each Regional Economic Study, the Enrolled Parties Planning Committee is to coordinate with the Enrolled Parties to support NorthernGrid's performance of any economic study. To facilitate this support, NorthernGrid is to post on the NorthernGrid Website the models, files, cases, contingencies, assumptions, and other information used to perform an economic study. NorthernGrid may establish requirements that any Enrolled Party or member of the Enrolled Parties Planning Committee must satisfy in order to access certain information used to perform the economic study, due to CEII constraints. NorthernGrid may ask Enrolled Parties or Enrolled Parties Planning Committee members with special expertise to provide technical support or perform studies required to assess one or more potential needs that will be considered in the Regional Economic Study process. NorthernGrid is to convene meetings open to any representative of an entity that is a member of the Enrolled Parties Planning Committee to facilitate input on draft Regional Economic Studies.

### **12.4.2 Local**

For the development of a Local Economic Study, the Transmission Provider is to post on its OASIS the models, files, cases, contingencies, assumptions, and other

information used to perform the Local Economic Study. The Transmission Provider may establish requirements that must be satisfied in order to access certain information used to perform the Local Economic Study, due to CEII constraints.

#### **12.5 Publication of Economic Study Report**

The Enrolled Parties Planning Committee is to post its Regional Economic Study reports on the NorthernGrid Website, subject to CEII constraints. Transmission Provider is to post its Local Economic Study reports on its OASIS, subject to CEII constraints. Economic Studies containing CEII will be posted as password-protected documents.



## **Part F. Dispute Resolution**

### **13. Dispute Resolution.**

#### **13.1 Scope**

Transmission Provider and Any Enrolled Party, Non-Incumbent Transmission Developer, ITP Proponent, Merchant Transmission Developer, Eligible Customer, or stakeholder that participates in the local or regional planning process outlined in this Attachment K shall utilize the dispute resolution process set forth in this Section 13 to resolve procedural and substantive disputes related thereto.

#### **13.2 Process**

The following dispute resolution process shall be followed, in an effort to resolve all disputes related to this Attachment K:

- Step 1: The disputing entity shall provide prompt written notice of the dispute to the chairs of the Enrolled Parties Planning Committee; or to the Transmission Provider, in the case of a dispute regarding the Local Planning Process in Section 2 by submitting a completed Dispute Resolution form, which is available on the NorthernGrid Website, in accordance with the instructions contained on the form.
- Step 2: An executive representative from the disputing entity shall participate in good faith negotiations with the chairs the Enrolled Parties Planning Committee; or an executive representative from the Transmission Provider, in the case of a dispute regarding the Local Planning Process in Section 2 to resolve the dispute as promptly as practicable. In the event the executive representative and the chairs or Transmission Provider executive representative are unable to resolve the dispute by mutual agreement within thirty (30) calendar days of the written notice of dispute, or such other period as the parties may mutually agree upon, the parties shall proceed to Step 3.
- Step 3: In furtherance of efforts to resolve the dispute the parties may utilize an agreed-upon third-party, or the Commission's dispute resolution service, to facilitate mediation to resolve the dispute. If the dispute remains unresolved after Step 3, the disputing entity shall proceed to Step 4.
- Step 4: As a last resort, the disputing entity may invoke the arbitration procedures set out in Article 12 of the pro forma Open Access Transmission Tariff to resolve the dispute.

#### **13.3 Timeliness**

To facilitate the timely completion of the Local Transmission Plan and the Regional Transmission Plan, disputes over any matter shall be raised timely; provided, however, in no case shall a dispute under this Section 13 be raised more than 30 calendar days after a decision is made in the study process or the posting of a document, whichever is earlier. Except to the extent that a binding arbitration decision has

been rendered pursuant to Step 4 above, nothing contained in this Section 13 shall restrict the rights of any entity to file a complaint with the Commission under relevant provisions of the Federal Power Act.

NorthWestern Corporation, Montana OATT

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Exhibit A to Attachment K, Ex A - Cost Allocation Task Force Charter (2.0.0)

## **NORTHERNGRID**

### **COST ALLOCATION TASK FORCE**

### **CHARTER**

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# **COST ALLOCATION TASK FORCE CHARTER**

**OF**

**NORTHERNGRID**

(An Unincorporated Association)

This document sets forth the charter of the NorthernGrid Cost Allocation Task Force (“Taskforce”).

## **ARTICLE 1. PURPOSE AND LIMITATIONS**

1.1 Purpose. The Taskforce is convened by the Enrolled Parties and States Committee. The Taskforce’s function is to carry out the responsibilities assigned to the Taskforce in the Regional Planning section of the Enrolled Parties’ Attachment K of the Open Access Transmission Tariffs (“Attachment K”). Capitalized terms that are not otherwise defined and that are used in this charter have the same meaning as in the Attachment K. The Taskforce shall act in accordance with the Attachment K, this charter, and applicable legal and regulatory requirements.

1.2 Limitations. The Taskforce does not have the authority to amend, alter or repeal any Attachment K. Nothing in this charter shall prevent any TF Participant appointed to this Taskforce, as defined in Section 2.1, from acting in accordance with any legal requirement.

1.3 Confidential Information. Any confidential information is to be treated in accordance with Attachment K or other applicable confidentiality agreements.

## **ARTICLE 2. PARTICIPATION**

2.1 Taskforce. The Taskforce is composed of individuals (each, a “TF Participant”) appointed by Enrolled Parties and States to perform the work assigned to the Taskforce. Enrolled Parties are entities that are identified in the list of Enrolled Parties in Attachment K. States are states in which any Enrolled Party provides retail load service.

2.2 Appointment of TF Participants (TF Participant list). Each Enrolled Party may appoint one (1) TF Participant to the Taskforce. Each State may appoint one (1) TF Participant to the Taskforce. Each Enrolled Party and each State may appoint a TF Participant or change its TF Participant at any time; provided, however, a TF Participant must be appointed at least one (1) business day in advance of a meeting for that person to be eligible to participate in decision making at the meeting. Enrolled Parties and States are encouraged to appoint TF Participants with appropriate skillsets. Notices of appointment and contact information for each TF Participant shall be submitted through the NorthernGrid website, [www.northerngrid.net](http://www.northerngrid.net). Each Enrolled Party and State should appoint its TF Participant in the first January of each Planning Cycle to enable the Taskforce to begin work promptly when required.

2.3 Eligibility to Make Decisions. Only the TF Participants of Enrolled Parties and States appointed to the Taskforce are eligible to make decisions on matters before the Taskforce.

2.4 TF Participant Disclaimer. Actions or positions taken or not taken by a TF Participant appointed by a State through this Taskforce do not constitute a prejudgment of any issue in any proceeding at any time before any agency of that TF Participant's State.

2.5 No Compensation from NorthernGrid. TF Participants shall not receive compensation or reimbursement of expenses from NorthernGrid; rather, a TF Participant may be compensated or reimbursed by his or her appointing Enrolled Party or State.

### **ARTICLE 3. MEETINGS**

3.1 Work Sessions; Notice. Meetings held by the Taskforce are open to stakeholder participation; provided, however, that attendance may be restricted at a meeting to the extent necessary to address non-public information, critical energy infrastructure information, or other legal or regulatory requirements. Stakeholders may provide comments during the meetings or within seven days of the meeting. The Taskforce shall convene at such times and locations as the Taskforce shall from time-to-time establish. Notice of meetings shall be emailed by the chair to all TF Participants at least seven days before the meeting. Notice of meetings shall also be posted on NorthernGrid's website stating date, time, and location at least seven days before the meeting.

3.2 Procedure. The chair shall establish the agenda for all meetings.

3.3 Quorum. To make a decision, a quorum of 75% of the TF Participants appointed to the Taskforce by the Enrolled Parties (see Section 2.2) must be present at the meeting at which a decision is to be made.

3.4 Decision Making. Except as set forth in Section 4.1, a Taskforce decision is valid if 75% of the TF Participants present at the meeting approve.

3.5 Remote Participation. TF Participants may participate in Taskforce meetings by means of communications equipment where all persons may participate and be heard. Participation by such means constitutes presence at the meeting.

#### **ARTICLE 4. CHAIR**

4.1 Election of Chair. The Taskforce shall be managed by a chair. At the first meeting of the Taskforce convened by the Enrolled Parties and States Committee in a Planning Cycle or following a resignation, the TF Participants shall elect a chair from the TF Participants appointed by an Enrolled Party. This decision shall be by majority vote of the TF Participants that are present at the meeting in which the decision is made.

4.2 Resignation. The chair may resign at any time by giving written notice to the Taskforce. Any resignation shall take effect on the date and time specified by that notice. The acceptance of the resignation is not necessary to make it effective. The resignation of a position as chair does not itself remove that TF Participant from the Taskforce.

#### **ARTICLE 5. MISCELLANEOUS**

5.1 Amendments. This charter may be amended in whole or in part by the Enrolled Parties. Periodically, the Taskforce should review this charter and may propose changes to this charter to the Enrolled Parties. All amendments to this charter shall be set forth in writing and effective upon approval by the Enrolled Parties or such other date as may be set by the Federal Energy Regulatory Commission.

NorthWestern Corporation, Montana OATT

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## **NORTHERNGRID**

### **ENROLLED PARTIES PLANNING COMMITTEE**

### **CHARTER**



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# ENROLLED PARTIES PLANNING COMMITTEE CHARTER

OF

NORTHERNGRID

(An Unincorporated Association)

This document sets forth the charter of the NorthernGrid Enrolled Parties Planning Committee (“Committee”).

## ARTICLE 1. PURPOSE AND LIMITATIONS

1.1 Purpose. The Committee, made up of representatives appointed pursuant to Section 3.2 below and the co-chairs of the Enrolled Parties and States Committee, shall carry out the responsibilities assigned to the Committee in the Regional Planning section of the Enrolled Parties’ Attachment K of the Open Access Transmission Tariffs (“Attachment K”). Capitalized terms that are not otherwise defined and that are used in this charter have the same meaning as in the Attachment K. The Committee shall act in accordance with the Attachment K, this charter, and applicable legal and regulatory requirements. The Committee operates independently of any other NorthernGrid committee.

1.2 Limitations. The Committee does not have the authority to amend, alter or repeal any Attachment K. Nothing in this charter shall prevent any representative appointed to this Committee from acting in accordance with any legal requirement.

1.3 Confidential Information. Any confidential information is to be treated in accordance with Attachment K or other applicable confidentiality agreements.

## ARTICLE 2. PARTICIPATION

2.1 Participants. The Committee is composed of representatives of the Enrolled Parties, and the co-chairs of the Enrolled Parties and States Committee.

2.2 Definition. Enrolled Parties are entities that are identified in the list of Enrolled Parties in Attachment K.

2.3 Stakeholder Participation; Eligibility to Vote. Any stakeholder may participate in Committee meetings. However, only the representatives (or, consistent with Sections 3.3 and 3.4, the applicable alternate) of Enrolled Parties appointed to the Committee, and the co-chairs of the Enrolled Parties and States Committee are eligible to vote on matters before the Committee.

### **ARTICLE 3. REPRESENTATIVES**

3.1 General Powers. The business and affairs of the Committee shall be carried out through representatives appointed to the Committee in accordance with Section 3.2, and the co-chairs of the Enrolled Parties and States Committee. The co-chairs of the Enrolled Parties and States Committee participate in this Committee as representatives of the Enrolled Parties and States Committee. The Committee's functions are to carry out the purpose as set forth in Section 1.1.

3.2 Appointment of Representatives or Alternates. Each Enrolled Party may appoint one (1) representative and one (1) alternate to the Committee. Each Enrolled Party may appoint the individuals they choose as representative(s) or alternate(s), but it is contemplated that individuals appointed would have skills or roles relevant to the work of this Committee. An Enrolled Party may appoint and/or change its own representative(s) or alternate(s) at any time; provided, however, a representative or alternate must be appointed at least one (1) business day in advance of a meeting for that person to be eligible to participate in decision making at the meeting.

3.3 Identification of Committee Members. Notices of appointment and contact information for each representative and alternate shall be submitted through the NorthernGrid website, [www.northerngrid.net](http://www.northerngrid.net). A list of each representative and alternate and their contact information shall be maintained on the NorthernGrid website. Contact information of the co-chairs of the Enrolled Parties and States Committee is to be found on the NorthernGrid website. If an entity ceases to be an Enrolled Party, that entity's previously appointed representative and alternate shall no longer be on the Committee.

3.4 Alternates. Except as provided in Section 5.1 as to eligibility for election as a chair, all references in this charter to a representative include his or her alternate acting when that representative is absent. For clarity, whenever a given representative is absent, the alternate

appointed by the applicable entity for that position may act and has all authority, and the alternate is considered as the representative for all purposes of that meeting (including establishing a quorum), or any actions taken or considered at such meeting; provided however, when the person appointed as representative is present, the alternate for that representative has no role or authority.

3.5 Authority. An appointed representative has authority to act on this Committee on behalf of his or her appointing Enrolled Party.

3.6 Representative Disclaimer. Actions or positions taken or not taken by a representative of a state through this Committee do not constitute a prejudgment of any issue in any proceeding at any time before any agency of that representative's state.

3.7 Non-Attendance. If neither a given representative, nor his or her alternate, attends three (3) consecutive meetings, that position no longer counts for purposes of establishing a quorum on this Committee. At such time as the representative or a newly appointed representative attends a meeting, that position again counts for purposes of establishing a quorum.

3.8 No Compensation from NorthernGrid. Representatives and the co-chairs of the Enrolled Parties and States Committee shall not receive compensation or reimbursement of expenses from NorthernGrid.

#### **ARTICLE 4. REPRESENTATIVE MEETINGS**

4.1 Open Meetings and Limitations. Public meetings held by the Committee are open to stakeholder participation; provided, however, that attendance may be restricted at a meeting to the extent necessary to address non-public information, critical energy infrastructure information, or other legal or regulatory requirements.

4.2 Regular Meetings; Notice and Minutes. The Committee shall hold regular meetings at such times and locations as the Committee shall from time-to-time establish. The schedule of such meetings will be posted on NorthernGrid's website stating dates, times, and locations. Special meetings of the Committee may be called at any time by the chair. Notice of all meetings shall be transmitted by email by or on behalf of the chair to all representatives and alternates and the co-chairs of the Enrolled Parties and States Committee not less than seven (7) calendar days before each meeting. Notice shall also be posted on NorthernGrid's website, and contain the date, time and location of the special meeting. Meeting materials, if any, shall be

posted on the NorthernGrid website prior to meeting. The chair shall cause minutes, including a list of attendees, of each meeting held pursuant to this section to be taken and posted on NorthernGrid's website.

4.3 Other Sessions. The chair may convene non-public sessions as may be necessary or as requested by any representative or the co-chairs of the Enrolled Parties and States Committee. Notice of any separate non-public meetings shall be transmitted via email by or on behalf of the chair to all representatives and alternates and the co-chairs of the Enrolled Parties and States Committee not less than seven (7) calendar days before each such meeting. Notice shall also be posted on NorthernGrid's website, and contain the date, time and location of the non-public meeting.

4.4 Procedure. The chair shall establish the agenda for all meetings.

4.5 Representative List. The chair shall update and post the representative list including appointed alternates on the NorthernGrid's website one (1) business day in advance of each meeting, and the updated list will be used to determine the persons whose presence (in any approved manner) will be counted for establishing a quorum at that upcoming meeting.

4.6 Quorum. Subject to the provisions of Section 3.7, seventy-five percent (75%) of the representatives and the co-chairs of the Enrolled Parties and States Committee must participate in a meeting for a decision to occur at the meeting.

4.7 Decision Making. Except as provided for in Article 5, at any meeting of the Committee at which a quorum is achieved, any business under the Committee's authority may be transacted, and the Committee may exercise all of its powers. The Committee shall strive to make its decisions by consensus. A representative or either of the co-chairs of the Enrolled Parties and States Committee may request that a vote be conducted, however, and, once requested, a vote shall be taken. Except as provided for in Article 5, if a vote is required, the affirmative vote of seventy-five percent (75%) of the individuals in attendance (the representatives and the co-chairs of the Enrolled Parties and States Committee) is required to act at a meeting.

4.8 Remote Participation. Representatives and the co-chairs of the Enrolled Parties and States Committee may participate in Committee meetings by means of communications equipment where all persons may participate and be heard. Participation by such means constitutes presence at the meeting.

## **ARTICLE 5. CHAIR**

5.1 Officer, Election, and Term. The officer of the Committee shall be the chair. On a biannual basis coinciding with the first meeting of the Committee in an even-numbered calendar year, the Enrolled Parties shall elect, by majority vote, from among the Enrolled Party representatives a chair. Chair term is for two (2) years.

5.2 Chairs. The chair shall preside at all meetings of the Committee. The chair shall otherwise perform the other duties usually inherent in such office. The chair may appoint an acting chair when not able to attend a meeting. The appointment of an acting chair does not create a vacancy.

5.3 Removal. The Committee, acting as a whole, may remove the chair whenever a quorum as defined in Section 4.6 exists and, by an affirmative vote as defined in Section 4.7, it is decided that removal will serve the best interests of the Committee.

5.4 Resignation. The chair may resign from the chair position at any time by giving written notice to the Committee. Any resignation shall take effect on the date and time specified by that notice. The acceptance of the resignation is not necessary to make it effective. The resignation of a position as chair does not itself remove that representative from the Committee.

5.5 Vacancies. Vacancies in the chair arising from any cause shall be filled by the Enrolled Party representatives, at the next meeting by a majority vote as provided in Section 5.1. The newly appointed chair will complete the vacancy term.

## **ARTICLE 6. MISCELLANEOUS**

6.1 Dispute Resolution. Disputes shall be subject to the dispute resolution process outlined in Attachment K.

6.2 Amendments. This charter may be amended in whole or in part by the Enrolled Parties. Periodically, the Committee should review this charter and may propose changes to this charter to the Enrolled Parties. All amendments to this charter shall be set forth in writing and effective upon approval by the Enrolled Parties or such other date as may be set by the Federal Energy Regulatory Commission.

NorthWestern Corporation, Montana OATT  
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Exhibit C to Attachment K, Ex C - Enrolled Parties and States Committee Charter (3.0.0)

## **NORTHERNGRID**

## **ENROLLED PARTIES AND STATES COMMITTEE**

## **CHARTER**



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# ENROLLED PARTIES AND STATES COMMITTEE CHARTER

OF

**NORTHERNGRID**

(An Unincorporated Association)

This document sets forth the charter of the NorthernGrid Enrolled Parties and States Committee (“Committee”).

## ARTICLE 1. PURPOSE AND LIMITATIONS

1.1 Purpose. The Committee, made up of representatives appointed pursuant to Section 3.2 below, shall carry out the responsibilities assigned to the Committee in the Regional Planning section of the Enrolled Parties’ Attachment K of the Open Access Transmission Tariffs (“Attachment K”). Capitalized terms that are not otherwise defined and that are used in this charter have the same meaning as in the Attachment K. The Committee shall act in accordance with the Attachment K, this charter, and applicable legal and regulatory requirements. The Committee operates independently of any other NorthernGrid committee.

1.2 Limitations. The Committee does not have the authority to amend, alter or repeal any Attachment K. Nothing in this charter shall prevent any representative appointed to this Committee from acting in accordance with any legal requirement.

1.3 Confidential Information. Any confidential information is to be treated in accordance with Attachment K or other applicable confidentiality agreements.

## **ARTICLE 2. PARTICIPATION**

2.1 Participant Classes. The Committee is composed of representatives of two classes, Enrolled Parties and States.

2.2 Definition of Classes. Enrolled Parties are entities that are identified in the list of Enrolled Parties in Attachment K. States are states in which any Enrolled Party provides retail load service.

2.3 Stakeholder Participation; Eligibility to Vote. Any stakeholder may participate in Committee meetings. However, only the representatives (or, consistent with Sections 3.3 and 3.4, the applicable alternate) of Enrolled Parties and States appointed to the Committee are eligible to vote on matters before the Committee.

## **ARTICLE 3. REPRESENTATIVES**

3.1 General Powers. The business and affairs of the Committee shall be carried out through representatives appointed to the Committee in accordance with Section 3.2. The Committee's functions are to carry out the purpose as set forth in Section 1.1.

3.2 Appointment of Representatives or Alternates. Each Enrolled Party may appoint one (1) representative and one (1) alternate to the Committee. Each State may appoint up to two (2) representatives and one (1) alternate for each representative so appointed by that State. Each Enrolled Party or State may appoint the individuals they choose as representative(s) or alternate(s), but it is contemplated that individuals appointed would have skills or roles relevant to the work of this Committee. As examples, Enrolled Parties might appoint individuals with roles in transmission planning; States might appoint individuals from agencies such as state utility commissions, state customer advocates, or state transmission siting agencies. An Enrolled Party or State may appoint and/or change its own representative(s) or alternate(s) at any time; provided, however, a representative or alternate must be appointed at least one (1) business day in advance of a meeting for that person to be eligible to participate in decision making at the meeting. Notices of appointment and contact information for each representative and alternate shall be submitted through the NorthernGrid website, [www.northerngrid.net](http://www.northerngrid.net). A list of each representative and alternate and their contact information shall be maintained on the

NorthernGrid website. If an entity ceases to be an Enrolled Party, that entity's previously appointed representative and alternate shall no longer be on the Committee.

3.3 Alternates. Except as provided in Section 5.1 as to eligibility for election as a co-chair, all references in this charter to a representative include his or her alternate acting when that representative is absent. For clarity, whenever a given representative is absent, the alternate appointed by the applicable entity for that position may act and has all authority, and the alternate is considered as the representative for all purposes of that meeting (including establishing a quorum), or any actions taken or considered at such meeting; provided however, when the person appointed as representative is present, the alternate for that representative has no role or authority.

3.4 Authority. An appointed representative has authority to act on this Committee on behalf of his or her appointing Enrolled Party or State.

3.5 Representative Disclaimer. Actions or positions taken or not taken by a representative of a State through this Committee do not constitute a prejudgment of any issue in any proceeding at any time before any agency of that representative's State.

3.6 Non-Attendance. If neither a given representative, nor his or her alternate, attends three (3) consecutive meetings, that position no longer counts for purposes of establishing a quorum on this Committee. At such time as the representative or a newly appointed representative attends a meeting, that position again counts for purposes of establishing a quorum.

3.7 No Compensation from NorthernGrid. Representatives shall not receive compensation or reimbursement of expenses from NorthernGrid; rather, a representative may be compensated or reimbursed by his or her appointing Enrolled Party or State.

#### **ARTICLE 4. REPRESENTATIVE MEETINGS**

4.1 Open Meetings and Limitations. Public meetings held by the Committee are open to stakeholder participation; provided, however, that attendance may be restricted at a meeting to the extent necessary to address non-public information, critical energy infrastructure information, or other legal or regulatory requirements.

4.2 Regular Meetings; Notice and Minutes. The Committee shall hold regular meetings at such times and locations as the Committee shall from time-to-time establish. The schedule of such meetings will be posted on NorthernGrid's website stating dates, times, and locations. Special meetings of the Committee may be called at any time by the co-chairs. Notice of all meetings shall be transmitted by or on behalf of the co-chairs to all representatives and alternates not less than seven (7) calendar days before each meeting. Such notice shall be transmitted by email to the representatives and alternates and posted on NorthernGrid's website, and contain the date, time and location of the special meeting. Meeting materials, if any, shall be posted on the NorthernGrid website prior to meeting. The co-chairs shall cause minutes, including a list of attendees, of each meeting held pursuant to this section to be taken and posted on NorthernGrid's website.

4.3 Other Sessions. The co-chairs may convene non-public sessions as may be necessary or as requested by any representative. Notice of any separate non-public meetings shall be transmitted via email by or on behalf of the co-chairs to all representatives and alternates not less than seven (7) calendar days before each such meeting. Such notice shall also be posted on NorthernGrid's website, and contain the date, time and location of the non-public meeting.

4.4 Procedure. The co-chairs shall establish the agenda for all meetings.

4.5 Representative List. The co-chairs shall update and post the representative list including appointed alternates on the NorthernGrid's website one (1) business day in advance of each meeting, and the updated list will be used to determine the persons whose presence (in any approved manner) will be counted for establishing a quorum at that upcoming meeting.

4.6 Quorum. Subject to the provisions of Section 3.6, seventy-five percent (75%) of the representatives in each class must participate in a meeting for a decision to occur at the meeting.

4.7 Decision Making. Except as provided for in Article 5, at any meeting of the Committee at which a quorum is achieved, any business under the Committee's authority may be transacted, and the Committee may exercise all of its powers. The Committee shall strive to make its decisions by consensus. A representative may request that a vote be conducted, however, and, once requested, a vote shall be taken. Except as provided for in Article 5, if a vote is required, the affirmative vote of seventy-five percent (75%) of the representatives in attendance of each class is required to act at a meeting. When only a single class approves of a proposed action, that class may provide a report detailing the issue and positions to the Planning Committee for their consideration.

4.8 Remote Participation. Representatives may participate in Committee meetings by means of communications equipment where all persons may participate and be heard. Participation of a representative by such means constitutes presence at the meeting.

## **ARTICLE 5. OFFICERS**

5.1 Officers, Election, and Term. The officers of the Committee shall be the co-chairs. On a biannual basis coinciding with the first meeting of the Committee in an even-numbered calendar year, the Enrolled Parties shall elect, by majority vote, from among the Enrolled Party representatives a co-chair. On a biannual basis coinciding with the first meeting of the Committee in an odd-numbered calendar year, the States shall elect, by majority vote, from among the State representatives a co-chair. Co-chair terms are for two (2) years. The name and contact information of the co-chairs shall be posted on the NorthernGrid website.

5.2 Co-Chairs. A co-chair shall preside at all meetings of the Committee. The co-chairs shall otherwise perform the other duties usually inherent in such office, including representation of the decisions made by this Committee in other NorthernGrid committees, as may be necessary and appropriate.

5.3 Removal. The Committee, acting as a whole, may remove any officer from the officer position whenever a quorum as defined in Section 4.6 exists and, by an affirmative vote of seventy-five percent (75%) of the representatives present, it is decided that removal will serve the best interests of the Committee.

5.4 Resignation. Any officer may resign from the co-chair position at any time by giving written notice to the Committee. Any resignation shall take effect on the date and time specified by that notice. The acceptance of the resignation is not necessary to make it effective. The resignation of a position as co-chair does not itself remove that representative from the Committee.

5.5 Vacancies. Vacancies in any office arising from any cause shall be filled by the class of representatives from which the vacant position arose, at the next meeting by a majority vote of the representatives as provided in Section 5.1. The newly appointed officer will complete the vacancy term.

5.6 Participation in Other Committees. The co-chairs are representatives to the Member Planning Committee and the Enrolled Parties Planning Committee.

## **ARTICLE 6. MISCELLANEOUS**

6.1 Taskforce. The co-chairs shall convene the Cost Allocation Taskforce within ten (10) business days upon a co-chair's receipt of a Project Sponsor's Request for Cost Allocation. Appointment of the participants on the Cost Allocation Taskforce shall occur in the manner defined in the Cost Allocation Taskforce Charter.

6.2 Dispute Resolution. Disputes shall be subject to the dispute resolution process outlined in Attachment K.

6.3 Amendments. This charter may be amended in whole or in part by the Enrolled Parties. Periodically, the Committee should review this charter and may propose changes to this charter to the Enrolled Parties. All amendments to this charter shall be set forth in writing and effective upon approval by the Committee or such other date as may be set by the Federal Energy Regulatory Commission.

NorthWestern Corporation, Montana OATT

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Filing Date: 10/22/2021  
FERC Action: Accept  
Order Date: 12/14/2021  
Status: Accepted

Exhibit D to Attachment K, Ex D - Form of Non-Enrolled Developer Agreement (3.0.0)

## Non-Enrolled Developer Agreement

This Non-Enrolled Developer Agreement ("**Agreement**") is by and between \_\_\_\_\_ ("**Developer**") and each of the Enrolled Parties of NorthernGrid, each of which hereafter shall be referred to individually as "Party" and collectively as "**Parties.**"

### RECITALS

- A. NorthernGrid is an unincorporated association of its members formed for the purpose of coordinating regional transmission planning for the NorthernGrid members;
- B. Developer is (i) a Non-Incumbent Transmission Developer, (ii) a Merchant Transmission Developer, or (iii) an Interregional Transmission Project (ITP) Proponent;
- C. Developer intends to propose a transmission project for evaluation in the NorthernGrid regional plan in accordance with the provisions entitled "Proposing a Project" in the regional portion of the Enrolled Parties Attachment K (as defined below);
- D. This Agreement is for the Planning Cycle that begins January 1, \_\_\_\_, and ends December 31, \_\_\_\_; and
- E. The Parties desire to define their rights and obligations related to participation in the NorthernGrid planning process.

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration, the Parties hereby agree as follows:

- 1. *Term.* This Agreement shall be effective on the later of (i) the first day of the Planning Cycle stated in the recitals above or (ii) the Execution Date indicated below, and shall continue in effect until the end of the Planning Cycle stated in the recitals above ("**Term**").
- 2. *Definitions.*
  - a. "**Commission**" or "**FERC**" means the Federal Energy Regulatory Commission or any successor entity.



- b. **"Enrolled Parties Attachment K"** means the Attachment K to the Open Access Transmission Tariffs of the Enrolled Parties that have an Attachment K approved by FERC.
- c. **"Finance Administrator"** means the entity that is selected to serve in the role of the Finance Administrator pursuant to the NorthernGrid Funding Agreement as may be amended from time to time.
- d. **"Funding Agreement"** or "NorthernGrid Funding Agreement" means the current version of the agreement among the parties funding the activities of NorthernGrid as may be amended from time to time.
- e. **"Member"** is an entity that has executed the NorthernGrid Funding Agreement.
- f. **"Planning Cycle"** means each two-year process beginning on January 1 of even-numbered years and ending on December 31 of odd-numbered years, undertaken by NorthernGrid, to create the Regional Transmission Plan.
- g. **"Project Coordinator"** means the entity to be engaged to perform and/or facilitate transmission planning activities.

Except as may otherwise be expressly provided herein, capitalized terms in this Agreement shall have the meanings provided in the Enrolled Parties Attachment K.

3. *Study Fee.*

- a. Upon execution of this Agreement, a Non-Incumbent Developer or Merchant Transmission Developer shall pay \$10,000 to the Finance Administrator for the study fee for participating in the NorthernGrid planning processes. In no event will this study fee be refunded.
- b. An ITP Proponent is not required to pay the study fee.

2. *Expectations.* Developer agrees to:

- a. Comply with all applicable confidentiality requirements;
- b. Be bound by the decisions of the Planning Committee and the Cost Allocation Taskforce; and
- c. Actively participate in the transmission planning processes set forth in the Enrolled Parties Attachment K.

To the extent anything in this Agreement is inconsistent with the Enrolled Parties Attachment K, the Enrolled Parties Attachment K shall control.

5. *Miscellaneous.*

- a. *Amendments.* This Agreement shall not be modified, amended, or changed in any respect except by a written document signed by all Parties; *provided*, however, that such modification, amendment, or change shall be subject to acceptance by the Commission, if required, before it becomes effective.
- b. *Applicable Law.* No Party will be considered the drafter of this Agreement for purposes of interpreting this Agreement. This Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of Oregon; *provided* that this Agreement shall, with respect to a Party that is a U.S. government entity, be interpreted, construed, and enforced in accordance with the laws of the United States.
- c. *Assignment.* No Party may transfer or assign this Agreement, in whole or in part, without the other Parties' prior written consent, except that any Party may assign this Agreement to any: (i) affiliate, (ii) successor in interest, or (iii) corporation or other business entity acquiring all or substantially all assets of the assignment Party.
- d. *Binding Effect.* This Agreement is binding upon and inures to the benefit of the successors and assigns of the Parties.
- e. *Dispute Resolution.* The Parties agree to resolve disputes according to the process set forth in the Enrolled Parties Attachment K.
- f. *Execution in Counterparts.* The Parties may sign this Agreement in counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same document. Delivery of an executed signature page of this Agreement by facsimile transmission or email shall be effective as delivery of a manually executed counterpart hereof.
- g. *Force Majeure.* No Party shall be liable or responsible to any other Party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations to make payments hereunder), when and to the extent such failure or delay is caused by or results from the following force majeure events ("**Force Majeure Events**"): (i) acts of God; (ii) flood, fire, earthquake, or explosion; (iii) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (iv) government order or law; (v) actions or blockades in effect on or after the date of this Agreement; (vi) action by any governmental authority; (vii) national or regional emergency; (viii) strikes, labor stoppages or slowdowns, or other industrial disturbances; (ix) shortage of adequate power or transportation facilities; and (x) other similar events beyond the control of the Party impacted by the Force Majeure Event (the "**Impacted**

**Party**"). The Impacted Party shall give notice within five (5) business days of the Force Majeure Event to the other Parties, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized, to the extent practicable. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause.

- h. *Headings*. The headings used in this Agreement are for convenience only and shall not be construed as a part of this Agreement or as a limitation on the scope of the particular paragraphs to which they refer.
- i. *Integration*. This Agreement, including any exhibits hereto, constitutes the complete agreement of the Parties and supersedes all prior or contemporaneous representations, statements, negotiations, understandings, or inducements with respect to the subject matter of this Agreement.
- j. *Jury Trial*. **To the fullest extent permitted by law, each Party waives any right it may have to a trial by jury in respect of litigation directly or indirectly arising out of, under, or in connection with this Agreement. Each Party further waives any right to consolidate any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.**
- k. *Limitation of Liability*. In no event shall any Party be liable under this Agreement to any other Party or to any third party for any consequential, incidental, indirect, exemplary, special, or punitive, including any damages for business interruption, loss of use, revenue or profit, whether arising out of breach of contract, tort (including negligence) or otherwise, regardless of whether such damages were foreseeable and whether or not the breaching party was advised of the possibility of such damages. The sole remedy for any breach of this Agreement is to enforce prospective compliance with this Agreement's terms and conditions.
- l. *No Joint Action*. This Agreement shall not be interpreted or construed to create an association, *joint* venture, or partnership, or to impose any partnership obligations or liability.
- m. *Notice*. Any notice to Developer regarding this Agreement shall be made to:

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

City, State ZIP: \_\_\_\_\_

Email: \_\_\_\_\_

- n. *Ownership of Products.* All information, data, reports, results, or other products generated pursuant to the planning efforts undertaken by NorthernGrid will be available to all Parties for their undivided use; provided, however, that Parties retain the right to engage in separate agreements addressing specific ownership rights of information, data, reports, results, or other products funded through mechanisms outside the scope of NorthernGrid.
- o. *Severability.* If any portion of this Agreement is held to be void or unenforceable, the balance thereof shall continue to be effective.
- p. *Third-Party Beneficiaries.* All signatories of the NorthernGrid Funding Agreement for the current Planning Cycle are third-party beneficiaries of this Agreement.
- q. *Waiver.* A waiver by a Party of any default or breach by another Party of any covenants, terms, or conditions of this Agreement shall not limit the Party's right to enforce such covenants, terms or conditions or to pursue its rights in the event of any subsequent default or breach.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on \_\_\_\_\_ ("**Execution Date**").

**DEVELOPER**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*Developer is (check one):*

- Non-Incumbent Transmission Developer
- Merchant Transmission Developer
- Interregional Transmission Project (ITP) Proponent

**AVISTA CORPORATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**IDAHO POWER COMPANY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**MATL LLP**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**NORTHWESTERN CORPORATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**NV Energy**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PACIFICORP**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PORTLAND GENERAL ELECTRIC COMPANY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PUGET SOUND ENERGY, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_