



December 30, 2014

VIA ELECTRONIC FILING

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

RE: OATT Order No. 1000 Fourth Regional Compliance Filing

PacifiCorp	Docket Nos. ER13-64-002
Deseret Generation & Transmission Co-operative, Inc.	Docket Nos. ER13-65-002
NorthWestern Corporation	Docket Nos. ER13-67-002
Portland General Electric Company	Docket Nos. ER13-68-002
Idaho Power Company	Docket Nos. ER13-127-003

Dear Secretary Bose:

On December 8, 2014, the Federal Energy Regulatory Commission (“Commission”) issued its third compliance order in response to the Filing Parties’¹ third Order No. 1000 regional compliance filings.² In the Third Compliance Order, the Commission directs two changes to Attachment K of the Open Access Transmission Tariff (“OATT”) of each of the Filing Parties.

I. CONTENTS OF FILING

In response to the Commission’s Third Compliance Order, each Filing Party respectfully submits for filing an electronic copy of the following:

1. This common transmittal letter;
2. A clean version of Attachment K to the Filing Party’s OATT; and
3. A red-lined version of Attachment K to the Filing Party’s OATT.

¹ The Filing Parties consist of Deseret Generation & Transmission Co-operative, Inc. (“Deseret”), Idaho Power Company (“Idaho Power”), NorthWestern Corporation (“NorthWestern”), PacifiCorp, and Portland General Electric Company (“Portland General”).

² *PacifiCorp*, 149 FERC ¶ 61,214 (2014) (“Third Compliance Order”); *PacifiCorp*, 147 FERC ¶ 61,057 (2014) (“Second Compliance Order”); *PacifiCorp*, 143 FERC ¶ 61,151 (2013) (“First Compliance Order”).

II. DESCRIPTION OF FILING

First, the Commission directs the Filing Parties to "... revise their respective OATTs to change 'a reciprocity Open Access Transmission Tariff' to 'an Open Access Transmission Tariff,' as is reflected in their transmittal letter."³ Each Filing Party implemented the change.⁴

Second, the Commission directs the Filing Parties to revise their respective OATTs to "...allow stakeholders to submit ideas into the regional transmission planning process without being required to provide the full scope of information that Filing Parties propose to require for sponsored and unsponsored transmission project proposals."⁵ Each Filing Party implemented the change.⁶

III. EFFECTIVE DATE

The Filing Parties are submitting these changes with an effective date of October 1, 2013, which is the date the Commission established in its Third Compliance Order.⁷ These filings do not propose any additional modifications to the Filing Parties' OATT. Each Filing Party will post a copy of its filing on its OASIS.

IV. WAIVERS

To the extent necessary, the Filing Parties respectfully request a waiver of any of the filing requirements set out in 18 C.F.R. Part 35 that are not otherwise provided or addressed herein.

V. COMMUNICATIONS

Communications concerning this filing should be directed to the following representatives of the Filing Parties:

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³ P17 of the Third Compliance Order.

⁴ Deseret at § B.2.3.2; Idaho Power at § 13.3.2; NorthWestern at § 3.2.3.2; PacifiCorp at § 3.2.3.2; Portland General at § 13.3.2.

⁵ P26 of the Third Compliance Order.

⁶ Deseret at § B.7.2.1; Idaho Power at § 18.2.1; NorthWestern at § 3.7.2.1; PacifiCorp at § 3.7.2.1; Portland General at § 18.2.1.

⁷ P11 of the Third Compliance Order.

Ms. Kimberly D. Bose
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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designed on the official service list compiled by the Secretary in Docket Nos.:

ER13-64-002,
ER13-65-002,
ER13-67-002,
ER13-68-002, and
ER13-127-003.

Dated this 30th day of December, 2014.

/s/ Malcolm McLellan

Malcolm McLellan

Attachment 1

Clean Version of Filing Party's Attachment K

Attachment 2

Red-Lined Version of Filing Party's Attachment K

Part B. Regional Planning Process

Governance and Participation

12. Governance

12.1 About NTTG

NTTG is a trade name of the utilities and state representatives that are participating in the development of a Regional Transmission Plan that evaluates whether transmission needs within the NTTG Footprint may be satisfied on a regional and interregional basis more efficiently or cost effectively than through local planning processes. While the Regional Transmission Plan is not a construction plan, it provides valuable regional insight and information for all stakeholders (including developers) to consider and use in their respective decision-making processes.

12.2 Committees

NTTG has four standing committees: Steering Committee, Planning Committee, Cost Allocation Committee, and transmission use committee. The Steering Committee, which operates pursuant to the Steering Committee Charter, is charged with the tasks of approving the Regional Transmission Plan in accordance with this Attachment K, and governing the activities of NTTG. The Planning Committee, which is governed by the Planning Committee Charter, is charged with the task of producing the Regional Transmission Plan (inclusive of regional Economic Congestion Studies) in accordance with this Attachment K. The Cost Allocation Committee, which is governed by the Cost Allocation Committee Charter, is charged with the task of allocating costs to Beneficiaries of transmission projects selected into the Regional Transmission Plan for cost allocation purposes in accordance with this Attachment K. The transmission use committee, which is governed by the transmission use committee charter, and acts outside the scope of this Attachment K, is responsible for increasing the efficiency of the transmission system through commercially reasonable initiatives and increasing customer knowledge of, and transparency into, the transmission system.

3. Participation Through Enrollment or Membership

13.1 Enrollment

Enrollment obligations are specified in Section 13.3 below. An entity may enroll in NTTG by becoming a funder as specified in Section 13.3 below.

13.2 Membership

Membership rights are specified in the committee charters. An entity may become a member of the following:

- a. Planning Committee as specified in the Planning Committee Charter,
- b. Cost Allocation Committee as specified in the Cost Allocation Committee Charter, and
- c. Steering Committee as specified in the Steering Committee Charter.

13.3 Funder of NTTG

13.3.1 Eligibility. An entity that meets the definition of “Nominal Funder” or “Full Funder” as defined in the Funding Agreement is eligible to join NTTG as a funder.

13.3.2 Funding Enrollment Process. An eligible entity will be enrolled in NTTG as a Full Funder on the date the requirements of (a), (b), and either (c) or (d) are satisfied. An eligible entity will be enrolled in NTTG as a Nominal Funder on the date the requirements of (a) and (b) are satisfied.

- a. Entity becomes a party to the currently effective Funding Agreement, and complies with the obligations necessary for the agreement to become effective.
- b. Entity becomes a party to the currently effective Finance Agent Agreement.
- c. If an entity intending to become a Full Funder is a public utility, the Commission accepts the filing of an Open Access Transmission Tariff by the entity with regional, interregional, and interconnection-wide planning provisions of Attachment K that are the same as the other Full Funders for its transmission facilities located within the Western Interconnection.
- d. If an entity intending to become a Full Funder is not a public utility, then the entity shall adopt and post on its website an ~~an reciprocity~~ Open Access Transmission Tariff or other agreement(s) providing for comparable transmission service, each including regional, interregional, and interconnection-wide planning provisions for its transmission facilities located in the Western Interconnection that are the same as those expressed in Attachment K of the other Full Funders

that are public utilities for their transmission facilities located in the Western Interconnection (each referred to as an “**NJ Attachment K**”).

- 13.3.3 Funder Enrollment Obligations. Upon enrollment and to maintain enrollment in good standing, an entity enrolled as a Nominal Funder agrees to the requirements of (a), (b), and (c); an entity enrolled as a Full Funder agrees to the requirements of (a), (b), and (d); and if a non-public utility, the entity agrees to the requirements of (a), (b), and (e).
- a. Agrees to be bound by the decisions that have been made by the Steering Committee, the Planning Committee, the Cost Allocation Committee, and such other committees as exist, up to and including the date of enrollment.
 - b. Agrees to resolve disputes according to the dispute resolution process set forth in Attachment K, from the date of enrollment and throughout the period of enrollment.
 - c. Agrees not to take action within the Steering Committee or other committees of NTTG, or fail to take action within the Steering Committee or other committees of NTTG, that prevents a Full Funder that is a public utility from complying with its Open Access Transmission Tariff including Attachment K, Funding Agreement, and Finance Agent Agreement.
 - d. A Full Funder that is a public utility agrees:
 - i. To implement the provisions of its Open Access Transmission Tariff providing for comparable transmission service including Attachment K; and
 - ii. To modify its Open Access Transmission Tariff, Funding Agreement, and Finance Agent Agreement consistent with FERC orders.
 - e. A Full Funder that is not a public utility agrees:
 - i. To implement the provisions of its NJ Attachment K;
 - ii. To modify its NJ Attachment K, Funding Agreement, and Finance Agent Agreement, consistent with FERC orders, except that a non-public utility Full Funder need not file its NJ Attachment K, Funding Agreement, and Finance Agent Agreement;

- iii. Not to take action within the Steering Committee or other committees of NTTG, or fail to take action within the Steering Committee or other committees of NTTG that prevents a Full Funder that is a public utility from complying with its Open Access Transmission Tariff including Attachment K, Funding Agreement, and Finance Agent Agreement; and
- iv. Not to include a provision in its NJ Attachment K that conflicts with a provision in the Open Access Transmission Tariff including Attachment Ks of a Full Funder that is a public utility.

13.3.4 Funder Termination of Enrollment. An entity ceases being enrolled in NTTG as a funder on the date the Steering Committee determines that the entity satisfied the requirements of (a) and (b) below. Promptly following such date, such entity, if a non-public utility, shall satisfy requirement (c), and if a public utility, shall satisfy requirement (d).

- a. The entity is no longer a party to the Funding Agreement or Finance Agent Agreement
- b. The entity violates an applicable requirement set forth in Section 13.3.3.
- c. A non-public utility shall revoke and remove from its website the NJ Attachment K.
- d. A public utility shall file with the Commission an Attachment K in place of the Attachment K specified in Section 13.3.2.

13.3.5 Identification of Full Funders. The following entities are enrolled in NTTG as Full Funders:

- a. Deseret Generation & Transmission Co-operative, Inc.,
- b. Idaho Power Company,
- c. NorthWestern Corporation,
- d. PacifiCorp, and
- e. Portland General Electric Company.

13.3.6 Identification of Nominal Funders. Utah Associated Municipal Power Systems is enrolled in NTTG as a Nominal Funder.

14. Stakeholder Participation

14.1 Participation Through Public Meetings

Any stakeholder may participate in Steering Committee, Planning Committee, and Cost Allocation Committee stakeholder meetings. The date, time, and location of the public meetings and meeting materials shall be posted on the NTTG Website as specified in the Steering Committee Charter, Planning Committee Charter, and Cost Allocation Committee Charter. Meetings may be held in person, telephonically, or by video or Internet conference.

14.2 Participation Through Committees

Any stakeholder may participate in Steering Committee, Planning Committee, and Cost Allocation Committee meetings according to the terms and conditions of the Steering Committee Charter, Planning Committee Charter, and the Cost Allocation Committee Charter, respectively. The date, time, and location of the public committee meetings shall be posted on the NTTG Website not less than seven (7) days prior to each meeting, in addition to posting the meeting materials prior to the meeting, as specified in the Steering Committee Charter, Planning Committee Charter, and the Cost Allocation Committee Charter.

14.3 Participation Through Commenting

In addition to commenting orally during stakeholder meetings as set forth in Section 14.1 or during committee meetings as set forth in Section 14.2, any stakeholder may submit written comments to a committee chair at any time through info@nttg.biz.

15. Sensitive Information

15.1 Critical Energy Infrastructure Information

Any participant in an NTTG process must adhere to the Commission's rules and/or guidelines concerning CEII. Additional information concerning CEII, including a summary list of the data that is determined by the supplying party to be deemed CEII, shall be posted on the Transmission Provider's OASIS and updated regularly.

15.2 Confidential Information

In the event a participant in an NTTG process claims that information is confidential, another participant seeking access to such information must agree to adhere to the terms of

the Confidentiality Agreement. The form of Transmission Provider's Confidentiality Agreement shall be posted on the Transmission Provider's OASIS. Confidential information shall be disclosed in compliance with the Standards of Conduct, and provided only to those participants that require such information and execute the Confidentiality Agreement; provided however, any such information may be supplied to (i) federal, state, or local regulatory authorities that request such information and protect such information subject to non-disclosure regulations or (ii) upon order of a court of competent jurisdiction.

16. Transmission Provider Participation

16.1 Planning and Process

Transmission Provider shall engage in regional transmission planning (including interregional coordination and interregional cost allocation) through NTTG. Transmission Provider shall support NTTG's planning and cost allocation processes through funding a share of NTTG as a Full Funder and providing employee support of NTTG's planning, cost allocation, and administrative efforts.

16.2 Project Identification

Transmission Provider will use best efforts to facilitate NTTG conducting its regional planning process, using identified regional and interregional transmission service needs and transmission and non-transmission alternatives, to identify regional transmission projects (if any) that are more efficient or cost effective from a regional perspective than the transmission projects identified in the Local Transmission Plans developed by the participating transmission providers that are Full Funders.

16.3 Project Cost Allocation

Transmission Provider, through its participation in NTTG, will support and use best efforts to ensure that NTTG, as part of its regional planning process, will determine benefits of projects and thereby allocate costs of projects (or in the case of interregional projects, portions of projects) selected for cost allocation as more fully described in Section 19.

16.4 Information Provided

Transmission Provider will provide NTTG with:

- a. Its Local Transmission System Plan;
- b. 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, and stakeholder data described in Parts A and B;

- c. Updates to information about new or changed circumstances or data contained in the Local Transmission System Plan;
- d. Public Policy Requirements;
- e. Public Policy Considerations; and
- f. Any other project proposed for the Regional Transmission Plan.

16.5 Information Posted

Subject to appropriate Critical Energy Infrastructure Information or other applicable regulatory restrictions, Transmission Provider will post on its OASIS:

- a. the Biennial Study Plan;
- b. Updates to the Biennial Study Plan (if any);
- c. The Regional Transmission Plan; and
- d. The start and end dates of the current Regional Planning Cycle, along with notices for each upcoming regional planning meeting that is open to all parties.

17. Dispute Resolution

17.1 Scope

Transmission Provider, signatories to the Planning Committee Membership Agreement, Eligible Customers, and stakeholders that participate in the regional planning process shall utilize the dispute resolution process set forth in this Section 17 to resolve procedural and substantive disputes related to the regional planning process.

17.2 Process

Disputes shall be resolved according to the following process:

- a. *Step 1* - In the event of a dispute involving the NTTG Planning Committee or Cost Allocation Committee (for disputes involving the Steering Committee, proceed to Step 2), the disputing entity shall provide written notice of the dispute to the applicable Planning Committee or Cost Allocation Committee chair. An executive representative from the disputing entity shall participate in good faith negotiations with the Planning Committee or Cost Allocation

Committee to resolve the dispute. In the event the dispute is not resolved to the satisfaction of the disputing entity within 30 days of written notice of dispute to the applicable Planning Committee or Cost Allocation Committee chair, or such other period as may be mutually agreed upon, the disputing entity shall proceed to Step 2.

- b. *Step 2* - The Planning Committee or Cost Allocation Committee chair shall refer the dispute to the Steering Committee. In the event of a dispute involving the Steering Committee, the disputing entity shall provide written notice of the dispute to the Steering Committee chair. An executive representative from the disputing entity shall participate in good faith negotiations with the Steering Committee to resolve the dispute. Upon declaration of an impasse by the state co-chair of the Steering Committee, the disputing entity shall proceed to Step 3.
- c. *Step 3* - If the dispute is one that is within the scope of the WECC dispute resolution procedures (including a dispute that may be accommodated through modification of the WECC dispute resolution procedures through invocation of Section C.4 thereof), the disputing entity shall follow the mediation process defined in Appendix C of the WECC bylaws. If the dispute is *not* one that is within the scope of the WECC dispute resolution procedures or the WECC otherwise refuses to accept mediation of the dispute, the disputing entity may utilize the Commission's dispute resolution service to facilitate mediation of the dispute. If the dispute cannot be resolved in Step 3, the disputing entity shall proceed to Step 4.
- d. *Step 4* - If the dispute is one that is within the scope of the WECC dispute resolution procedures (including a dispute that may be accommodated through modification of the WECC dispute resolution procedures through invocation of Section C.4 thereof), the disputing entity shall follow the binding arbitration process defined in Appendix C of the WECC bylaws. If the dispute is not one that is within the scope of the WECC dispute resolution procedures or the WECC otherwise refuses to accept arbitration of the dispute, 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.

17.3 Timeliness

To facilitate the completion of the Regional Transmission Plan, disputes over any matter shall be raised timely; provided, however, in no case shall a dispute under this Section 17 be raised more than 30 days after a decision is made in the study process or the posting of a milestone document, whichever is earlier. Nothing contained in this Section 17 shall

restrict the rights of any entity to file a complaint with the Commission under relevant provisions of the Federal Power Act.

Planning and Cost Allocation Processes

18. Preparation of Regional Transmission Plan

The Planning Committee will biennially prepare a long-term (10-year) bulk transmission expansion plan (the “Regional Transmission Plan”). The regional transmission planning process is comprised of the activities set forth in this Section during the Regional Planning Cycle.

18.1 Pre-Qualify for Cost Allocation

18.1.1 Who Must Pre-Qualify. A Nonincumbent Transmission Developer and an Incumbent Transmission Developer (a “Project Sponsor”) that intends to submit its project for cost allocation consideration, if the project is selected in the Regional Transmission Plan for cost allocation, must be pre-qualified by the Planning Committee in accordance with this Section 18.1, and remain qualified to be considered a Sponsored Project in subsequent Regional Transmission Plans.

18.1.2 How to Pre-Qualify. A Project Sponsor must submit the sponsor qualification data described in Table 1 below to NTTG, through info@nttg.biz, by October 31st of Quarter 8 of the prior Regional Planning Cycle. A Project Sponsor shall use the Sponsor Qualification Data Form to submit the data.

The Planning Committee and Cost Allocation Committee will apply the sponsor qualification criteria as summarized in Table 1 below in a comparable and non-discriminatory manner to both incumbent and non-incumbent transmission developers. The sufficiency of the qualification data will be determined by the Planning Committee and Cost Allocation Committee, in consultation with stakeholders, at regularly scheduled meetings in November of Quarter 8 of the prior Regional Planning Cycle.

NTTG will provide the Project Sponsor with notice of the committees’ determinations within five business days following the date a determination has been made by both committees. The notice will provide either that the Project Sponsor satisfied the qualification data requirements, or will identify specific deficiencies.

The Project Sponsor has until January 31st of Quarter 1 of the current Regional Planning Cycle to cure identified deficiencies. If the deficiency is not cured by

the end of January of Quarter 1, the project will be considered an unsponsored project submitted by a stakeholder, unless the Applicant withdraws the project from further consideration. The Planning Committee may consider the incomplete data in its consideration of whether to include an unsponsored project that resembles a project set forth in a withdrawn submission. During the next Regional Planning Cycle, stakeholder may seek qualification as a Project Sponsor, with updated information and data deficiencies cured. The Project Sponsor must continue to comply with the pre-qualification requirements set forth in Section 18.1 for the project to continue to be considered a Sponsored Project in the next Regional Transmission Plan.

Table 1. Sponsor Qualification Data – Submit Quarter 8 Prior to the Regional Planning Cycle¹			
	Category	Qualification Data	How Sponsor Qualification Data Will be Evaluated
1	Project Sponsor description	1. Name and address. 2. Years in business. 3. Operating environment (nature of business).	Assess whether the required data was submitted.
2	Project summary	1. Voltage. 2. Single or double circuit. 3. AC or DC. 4. Estimated cost. 5. Approximate construction period, 6. Project location. 7. Points of interconnection with the transmission grid.	Assess whether the required data was submitted.
3	Project Name	1. Project Name.	Assess whether the required data was submitted.
4	Project Sponsor demonstration of technical	1. Management’s experience in developing, constructing (or managing construction), and	Assess whether the submission provides experience, including

¹All information supplied to the Planning Committee or subcommittees must be marked by the provider in accordance with the appropriate document class and is treated appropriately by all committee and subcommittee members. The markings should be as follows:

- a) Public.
- b) Contains Critical Energy Infrastructure Information - Do Not Release. (<http://www.ferc.gov/legal/ceii-foia/ceii/classes.asp>)
- c) Contains Privileged Information - Do Not Release.

Table 1. Sponsor Qualification Data – Submit Quarter 8 Prior to the Regional Planning Cycle¹

	Category	Qualification Data	How Sponsor Qualification Data Will be Evaluated
	expertise to develop, construct and own the proposed project	<p>owning a project of similar size and scope.</p> <p>2. Clear discussion of Project Sponsor’s depth and breadth of technical expertise, including Project Sponsor’s internal expertise or external expertise, or both, to develop, construct, and own the proposed project.</p> <p>3. Name, location, and description of a project of similar scale that demonstrates Project Sponsor’s technical expertise to develop, construct, and own the proposed project.</p>	managerial and technical expertise in developing, constructing (or managing construction) and owning comparable projects.
5	Project Sponsor financial expertise to develop, construct, and own the proposed project	<p>Creditworthiness review requires the following information, if available:</p> <ol style="list-style-type: none"> 1. Most recent annual report. 2. Most recent quarterly report. 3. Last two most recent audited year-end financial statements. 4. Rating agency reports. 5. Any material issues that could affect the credit decision, including but not limited to litigation, arbitration, contingencies, or investigations (if applicable). 6. Other information supporting Project Sponsor’s financial expertise. <p>In addition to the qualification data above, demonstrate that the Project Sponsor, or the sponsor’s parent company has either an investment grade rating, or, meets the following test:</p> <p>A. Has a minimum tangible net worth of \$1,000,000 or total asset of</p>	Assess whether the qualification data was submitted and satisfied the required qualitative criteria.

Table 1. Sponsor Qualification Data – Submit Quarter 8 Prior to the Regional Planning Cycle¹

	Category	Qualification Data	How Sponsor Qualification Data Will be Evaluated
		\$10,000,000.	
6	Proposed project financing plan	1. Describe how the project will be financed. 2. List investors and percentage ownership of each. 3. Proposed sources of debt and equity capital and the percentages of each.	Assess whether the submission provides the appropriate financial information for the investor(s), including financial expertise provided in response to category 4.
7	Project Sponsor ability to maintain and operate proposed project	Clear description of Project Sponsor, its parent organization, or the third-party contractor(s) the Project Sponsor plans to retain to operate and/or maintain the proposed project. To the extent the Project Sponsor plans to rely on any third-party contractor(s) not yet under contract, the Project Sponsor must also indicate when it plans to enter into a definitive agreement with its contractor(s). Must provide (1) actual examples of at least five years of operation and maintenance experience for a similar size project; or (2) provide similar information for Project Sponsor’s consultant or outsourced entity.	Assess whether the qualification data was submitted and satisfied the required qualitative criteria.
8.	Primary Project Contact	1. Name. 2. Title. 3. Phone. 4. Email.	Assess whether the required data was submitted.
9.	Signature	Signature of authorized representative	Assess whether the document was signed.

18.2 Quarter 1 – Data Gathering and Project Submittal

18.2.1 Data Gathering. The Planning Committee shall gather and coordinate Transmission Provider (as specified in Section 3.2 and 16.4) and stakeholder

input, which may include ideas for consideration, applicable to the planning horizon. Any stakeholder may submit data to be evaluated as part of the preparation of the Draft Regional Transmission Plan, including data supporting transmission needs and associated facilities driven by Public Policy Requirements and Public Policy Considerations, and alternate solutions to the identified needs set out in the Transmission Provider’s Local Transmission System Plan and prior Regional Transmission Plan. A stakeholder shall use the Data Submittal Form to submit its data. ~~By January 31st of Quarter 1, Any~~ stakeholders wishing to submit input without submitting a Data Submittal Form can submit such input by email. Stakeholders shall submit such data and/or input by email shall submit a completed form to NTTG, through info@nttg.biz, no later than January 31st of Quarter 1.

18.2.2 Proposing a Project for Consideration. A Project Sponsor (refer to footnote 1 of Table 2) may propose a transmission project for consideration in the Regional Transmission Plan (a “Sponsored Project”) by submitting to the Planning Committee chair the information identified in the “sponsored project” column of Table 2 below. A stakeholder may submit an unsponsored project for consideration in the Regional Transmission Plan by submitting to the Planning Committee chair the information identified in the “unsponsored project” column of Table 2 below. A Merchant Transmission Developer within the NTTG Footprint shall submit to the Planning Committee chair the information identified in the “merchant developer project” column of Table 2 below. A Project Sponsor and a stakeholder that submits an unsponsored project are collectively referred to in this Section 18 as an “Applicant.” Applicant and a Merchant Transmission Developer shall use the Data Submittal Form to submit its project. By March 31st of Quarter 1, Applicant and Merchant Transmission Developer shall submit a completed Data Submittal Form to NTTG through info@nttg.biz

Table 2: Minimum Information Required (Yes required or No not required)				
		Sponsored Project	Unsponsored Project	Merchant Developer Project
A	Load and resource data (1)	Y	Y	N (2)
B	Forecasted transmission service requirements, if any (5)	Y	Y	N (3)
C	Whether the proposed project meets reliability or load service needs	Y	Y	N (3)
D	Economic considerations (6)	Y	Y	N (4)
E	Whether the proposed project	Y	Y	N (3)

	satisfies a transmission need driven by Public Policy Requirements			
F	Project location	Y	Y	Y
G	Voltage level (including whether AC or DC)	Y	Y	Y
H	Structure type	Y	Y	Y
I	Conductor type and configuration	Y	Y	Y
J	Project terminal facilities	Y	Y	Y
K	Project cost, associated annual revenue requirements, and underlying assumptions and parameters in developing revenue requirement	Y	Y	N
L	Project development schedule	Y	Y	Y
M	Current project development phase	Y	Y	Y
N	In-service date	Y	Y	Y
O	A list of all planning regions to which an interregional project has been submitted for evaluation	Y	Y	N
<ol style="list-style-type: none"> 1. Incumbent Transmission Developer shall provide load and resource data for its balancing authority area or the balancing authority area in which it operates. Nonincumbent Transmission Developer and Merchant Transmission Developer who are providing data shall identify the load intended to be served with the line and the generation resource intended to inject energy into the line for the identified load. 2. To the extent applicable and data is readily available for the proposed transmission project; provide the approximate location of the new or existing resource and/or load that may require this proposed project if other than forecasted transmission service. 3. Provide this information only to the extent it is readily available when the information is due. 4. To the extent applicable and data is readily available for the proposed transmission project; provide that approximate location of the congestion that this project is proposed to address. 5. Provide data for transmission service requests and forecasted transmission service needs. If network transmission loads or native load service needs are included in the response to the load data requested in row "A," then do not provide them in response to this data request. If not provide, then provide the data. 6. 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. 				

18.2.3 Proposing a Project for Consideration for Cost Allocation. In addition to the information specified in Section 18.2.2, an Applicant shall use the Cost Allocation Data Form to propose its project for cost allocation, and submit the additional information requested below. By March 31st of Quarter 1, Applicant shall submit a completed form to NTTG through info@nttg.biz. Such

Applicants are encouraged by not required to also provide the following information:

- a. A statement as to whether the proposed project was selected in a Transmission Provider's local plan;
- b. A statement as to whether the proposed project is planned in conjunction with evaluation of economical resource development and operation (i.e., as part on an integrated resource planning process or other resource planning process regarding economical operation of current or future resources) conducted by or for one or more load serving entities within the footprint of a Transmission Provider;
- c. If the proposed project is planned primarily to meet the transmission needs of a reliability or Public Policy Requirement of a Transmission Provider, copies of all studies (i.e., engineering, financial, and economic) upon which planning of the project is based;
- d. If the proposed project is planned as part of future resource development and operation within the footprint of a local transmission provider, copies of all studies upon which planning of the project is based, including, but not limited to, any production cost model input and output used as part of the economic justification of the project;
- e. To the extent not already provided, copies of all studies performed by or in possession of the Applicant that describe and/or quantify the estimated annual impacts (both beneficial and detrimental) of the proposed project on the Applicant and other regional entities;
- f. To the extent not already provided, copies of any WECC or other regional, interregional, or interconnection-wide planning entity determinations relative to the project;
- g. To the extent not set forth in the material provided in response to items (b) – (d), the input assumptions and the range of forecasts incorporated in any studies relied on by the Applicant in evaluating the efficiency or cost-effectiveness of the proposed project; and
- h. Any proposal Applicant may choose to offer with regard to treatment of project cost overruns.

- 18.2.4 Submission of Economic Study Requests. Stakeholders may submit Economic Congestion Study Requests as set forth in Section 22.
- 18.2.5 Updates to Previously Selected Projects. For projects selected in the prior Regional Transmission Plan, the Applicant must submit an updated project development schedule to the Planning Committee. The Applicant must also submit updated information for its third-party contractor(s) to the extent such information or the timeline for entering into a definitive agreement is different than the information previously provided pursuant to Table 1 above. Stakeholders shall use the Data Submittal Form. By March 31st of Quarter 1, Applicants shall submit an updated form to NTTG through info@nttg.biz.
- 18.2.6 Review for Completeness. The Planning Committee will review the information submitted pursuant to this Section 18.2 for completeness. If an Applicant fails to meet the information requirements set forth above, the Planning Committee shall notify the Applicant of the reasons for such failure. The Planning Committee will attempt to remedy deficiencies in the submitted information through informal communications with the Applicant. If such efforts are unsuccessful by April 15th of Quarter 2, the Planning Committee shall return the Applicant's information, and Applicant's request shall be deemed withdrawn. The Planning Committee may consider the incomplete data in its consideration of whether to include an unsponsored project that resembles a project set forth in a withdrawn submission. During the next Regional Planning Cycle, Applicant may resubmit the project, with updated information and data deficiencies cured, for consideration in the Regional Transmission Plan and may request cost allocation consideration. Figure 1. "Project Submittal Process" below, summarizes the process described in this Section 18.2 for submitting a project to be considered in the development of the Draft Regional Transmission Plan.

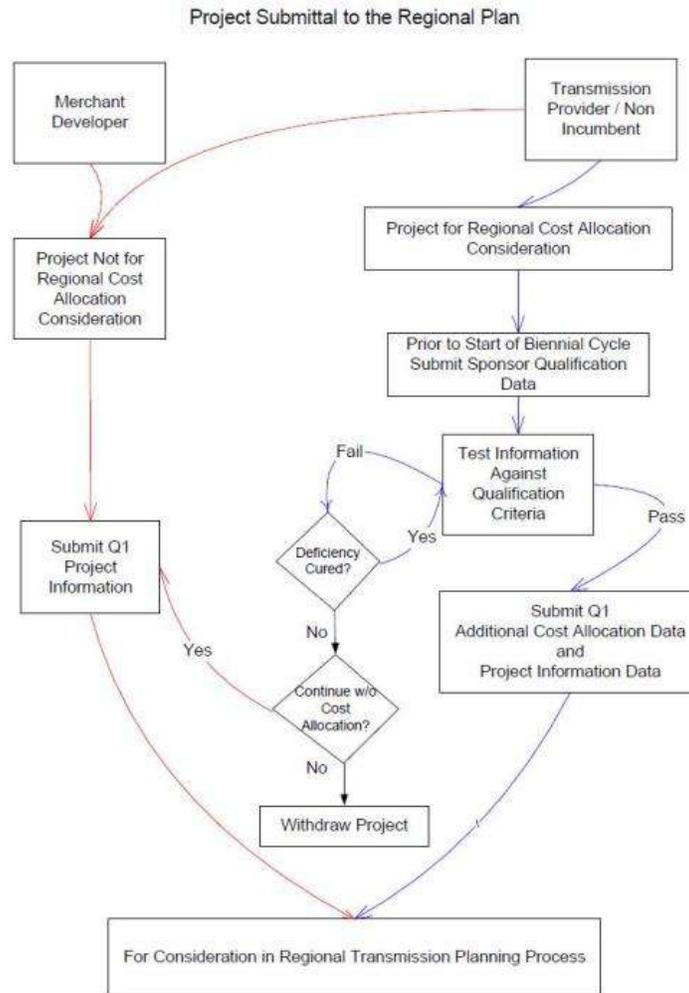


Figure 1. “Project Submittal Process”

18.3 Quarter 2 – Development of the Biennial Study Plan

- 18.3.1 Evaluate the Data. The Planning Committee shall identify the loads, resources, point-to-point transmission requests, desired flows, constraints and other technical data needed to be included and met by the development of the Regional Transmission Plan. The Planning Committee shall evaluate all stakeholder submissions, in consultation with stakeholders, on a basis comparable to data and submissions required for planning the transmission system for both retail and wholesale customers. The Planning Committee shall evaluate solutions based on a comparison of their ability to meet reliability requirements, address economic considerations, and meet transmission needs driven by Public Policy Requirements.
- 18.3.2 Development of the Biennial Study Plan. The Planning Committee will develop the Biennial Study Plan, which describes:
- a. the detailed study methodology;
 - b. Reliability criteria;
 - c. Transmission needs driven by Public Policy Requirements and Public Policy Considerations selected for use in the Biennial Study Plan;
 - d. Assumptions;
 - e. Databases;
 - f. Analysis tools;
 - g. Projects (including unsponsored projects) included in the prior Regional Transmission Plan that will be reevaluated according to Section 20 (unless the 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 included);
 - h. Projects included in each of the Full Funders Local Transmission Plans;
 - i. Sponsored Projects, projects submitted by stakeholders, projects submitted by Merchant Transmission Developers, unsponsored projects identified by the Planning Committee, and unsponsored projects submitted by stakeholders; and
 - j. Allocation scenarios.

The projects identified in (g) and (h) are collectively referred to as the “Initial Regional Plan.” The projects identified in (i) are referred to as the “Alternative Projects.” The allocation scenarios referenced in (j) are developed by the Cost Allocation Committee (in consultation with the Planning Committee) with stakeholder input, for those parameters that will likely affect the amount of total benefits and their distribution among Beneficiaries as set forth in Section 19.2.

When developing the draft Biennial Study Plan, the Planning Committee and Cost Allocation Committee will, under certain circumstances described in Section 20 below, identify projects selected in the prior Regional Transmission Plan that will be reevaluated and potentially replaced or deferred.

At a Quarter 2 public meeting, the Planning Committee and the Cost Allocation Committee will present the draft Biennial Study Plan to stakeholders for comment. The Planning Committee will recommend the draft Biennial Study Plan to the Steering Committee for approval.

After considering the draft Biennial Study Plan, the Steering Committee may remand it to the Planning Committee for any of the following reasons:

- aa. The draft Biennial Study Plan lacks details;
- bb. The draft Biennial Study Plan relies on inappropriate data, metrics, or scenarios; or
- cc. The draft Biennial Study Plan is inconsistent with obligations contained in this Attachment K or the charters attached hereto.

Further, the Steering Committee may also remand the draft Biennial Study Plan to the Cost Allocation Committee on any of the following additional grounds:

- dd. the Steering Committee objects to the parameters used to define which Beneficiaries are eligible for allocating costs; or
- ee. the Steering Committee objects to the assumptions or methods used in modeling benefits for the various study scenarios.

In the event of a remand, the Steering Committee shall provide a specific description of the shortcomings, omissions, or inconsistencies that it found. The Planning Committee or Cost Allocation Committee, whichever is appropriate, shall augment or modify the draft Biennial Study Plan to correct the deficiencies identified by the Steering Committee and the Planning Committee shall resubmit the draft Biennial Study Plan until the Steering Committee is satisfied.

18.3.3 Selection of transmission needs driven by Public Policy Requirements and Public Policy Considerations Used in the Biennial Study Plan.

- 18.3.3.1 Overview. NTTG’s regional planning process, through the Planning Committee, receives transmission needs driven by Public Policy Requirements, Public Policy Considerations, and data from the local transmission plans and stakeholders during the Quarter 1 data gathering submittal period pursuant to Section 18.2.1. NTTG’s Regional Transmission Plan only includes consideration of transmission needs driven by Public Policy Requirements. Public Policy Considerations as agreed upon by the Planning Committee, with stakeholder input, during Quarter 2 Biennial Study Plan development, will be evaluated as to whether they create additional transmission needs. Together, these transmission needs driven by Public Policy Requirements and Public Policy Considerations are approved by the Steering Committee as part of the Biennial Study Plan approval process at the end of Quarter 2.
- 18.3.3.2 Process. The Planning Committee applies the following process, shown in Figure 2. “Planning Committee Process for Selecting Public Policy Requirements and Public Policy Considerations,” and described below (in the event of conflict between the figure and the text, the text controls) to transmission needs driven by Public Policy Requirements and Public Policy Considerations data.

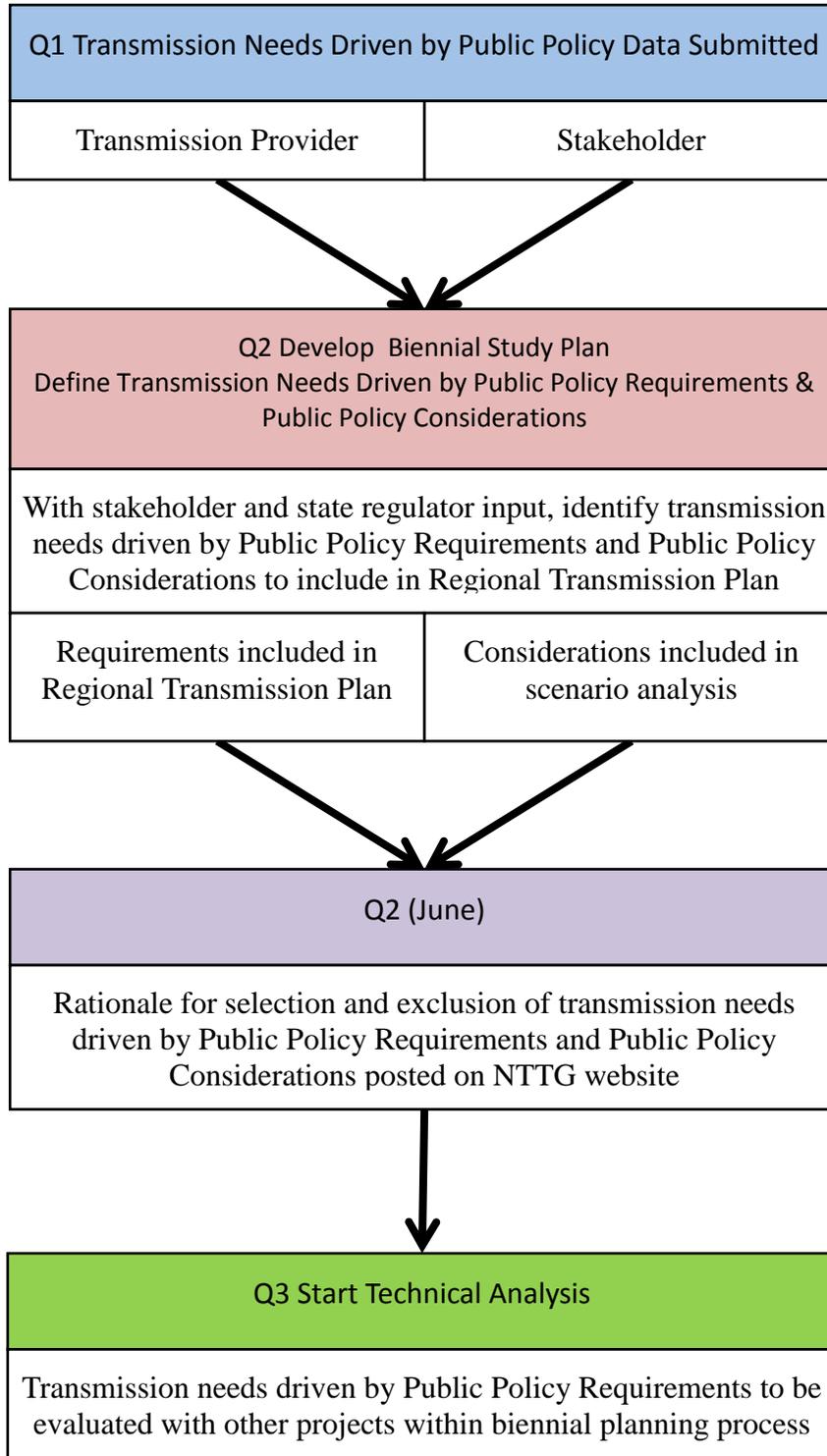


Figure 2. “Planning Committee Process for Selecting Public Policy Requirements and Public Policy Considerations”

In Quarter 1, transmission needs and associated facilities driven by Public Policy Requirements and Public Policy Considerations are received from the transmission providers' local transmission plans and received from stakeholders using NTTG's data submittal forms. Refer to Section 18.2.1.

In Quarter 2, after consultation with stakeholders, including state regulators, the Planning Committee recommends to the Steering Committee the transmission needs driven by Public Policy Requirements to be used in the Biennial Study Plan, as well as the transmission needs driven by Public Policy Considerations to be used in the additional study analysis. The additional study analysis results are informational only and may inform the Regional Transmission Plan, but will not result in the inclusion of additional projects in the Regional Transmission Plan. Refer to Section 18.3.2.

In June of Quarter 2, the Steering Committee approves the Biennial Study Plan, including the transmission needs driven by Public Policy Requirements for the Regional Transmission Plan and transmission needs driven by Public Policy Considerations for additional study analysis. Refer to Section 18.3.2.

- 18.3.3.3 Identification. During the Regional Planning Cycle, the Planning Committee determines if there is a more efficient or cost-effective regional solution to meet the transmission needs driven by Public Policy Requirements set forth in the Biennial Study Plan. The selection process and criteria for regional projects meeting transmission needs driven by Public Policy Requirements are the same as those used for any other regional project chosen for the Regional Transmission Plan. Rather than considering transmission needs driven by Public Policy Requirements separately from other transmission needs, the Planning Committee evaluates them in its technical analysis along with other regional projects.
- 18.3.3.4 Posting. After the Steering Committee approves the Public Policy Requirements and the Public Policy Considerations, the Planning Committee will post on the NTTG Website which transmission needs driven by Public Policy Requirements and Public Policy Considerations will and will not be evaluated in the Regional Planning Cycle, along with an explanation of why particular transmission needs driven by Public Policy Requirements and Public Policy Considerations were or were not considered.

18.3.3.5 Identification of Un-sponsored Transmission Projects by Planning Committee. The Planning Committee may, using its knowledge of the transmission systems and its professional judgment, identify an un-sponsored project.

18.4 Quarters 3 and 4 – Preparation of the Draft Regional Transmission Plan

- 18.4.1 Analysis and Methodology. The Planning Committee shall utilize each Alternative Project in one or more Change Cases and, using the criteria set forth in Section 18.4.2, determine if a Change Case is a more efficient or cost-effective solution for the NTTG Footprint than the Initial Regional Plan based upon the methodology set forth below. The methodology employed by the Planning Committee will be to develop one or more Change Cases by replacing non-Committed project(s) in the Initial Regional Plan with one or more of the Alternative Projects. Each Change Case will be compared against the Initial Regional Plan for the tenth year of a ten-year planning horizon. Criteria (b) and (c) described in Section 18.4.2 below will be monetized using an index price of power and summed with capital-related cost criteria to develop an incremental cost for that Change Case that will be compared to the Initial Transmission Plan’s incremental capital-related cost for replaced or deferred project(s) and incremental Monetized Non-Financial Incremental Costs. The set of projects (either the Initial Regional Plan or a Change Case) with the lowest incremental cost, as adjusted by its effects on neighboring regions as set forth in Section 18.4.3, will then be incorporated within the Draft Regional Transmission Plan. The projects eligible for cost allocation (i.e., those satisfying the criteria set forth in Sections 19 and 19.2.1) that are incorporated within the Draft Regional Transmission Plan will then be evaluated for cost allocation by the Cost Allocation Committee as set forth in Section 19.2. As used in this paragraph, “Monetized Non-Financial Incremental Costs” means those incremental costs associated with an Alternative Project that are not directly evaluated and measured in dollars of changed revenues, expenses, or capital investment. Such incremental costs, which are non-financial in nature, will be monetized by applying an appropriate index or conversion factor to convert the units in which the incremental costs were directly evaluated and measured into a dollar value. (For example, losses are measured in megawatt hours. That quantity will be converted to dollars by multiplying the quantity by a dollar per megawatt hour index.)
- 18.4.2 Analysis Criteria. Criterion (a), (b), and (c) below will be used to determine if a Change Case is a more efficient or cost-effective solution for the NTTG Footprint than the Initial Regional Plan based upon the methodology set forth in Section 18.4.1:

- a. Capital-Related Costs. A change in Annual Capital-Related Costs between a Change Case and the Initial Regional Plan captures benefits related to transmission needs driven by both reliability and Public Policy Requirements. This benefit metric captures the extent that a project in the Initial Regional Plan can be displaced (either deferred or replaced) while still meeting all regional transmission needs, including reliability standards (associated with serving existing, as well as new, service obligations) such that the Change Case has lower capital-related costs. The displacement of a project in the Initial Regional Plan may be due to a Change Case or due to the determination that more than one project in the Initial Regional Plan is meeting the same transmission need. This same benefit metric also captures the extent to which a Change Case may displace one or more projects in the Initial Regional Plan for purposes of meeting Public Policy Requirements because it is determined to have lower capital-related costs, while still meeting the same Public Policy Requirements.

“Annual Capital-Related Costs” will be the sum of annual return (both debt and equity related), depreciation, taxes other than income, operation and maintenance expense, and income taxes. These costs will be based on estimates provided by the Applicant or estimates by the Planning Committee using representative industry data if not provided by the Applicant. Power flow analysis will be used to ensure each scenario meets transmission reliability standards.

Those entities affected by the change in Annual Capital-Related Costs shall be identified for use in the cost allocation process.

- b. Energy Losses. This metric captures the change in energy generated to serve a given amount of load. A change in annual energy losses between a Change Case and the Initial Regional Plan measures the energy impact of changing (either displacing or adding) projects within the Initial Regional Plan with one or more projects in the Change Case. Power flow or production cost analysis will be used to measure the quantity of energy losses in each scenario. Those entities affected by the change in energy losses shall be identified for the cost allocation process.
- c. Reserves. This metric is based on savings that may result when two or more balancing authority areas could economically share a reserve resource when unused transmission capacity remains in proposed transmission project. A change in annual reserves between a Change Case and the Initial Regional Plan measures the energy impact of changing projects within the Initial Regional Plan with one or more

projects in the Change Case. The incremental reserve requirement for each balancing authority area within the NTTG Footprint will be calculated as a standalone quantity and as a reserve sharing quantity for each scenario. Those entities affected by the change in reserves shall be identified for the cost allocation process.

Each criterion (a), (b), and (c) will be expressed as an annual change in costs (or revenue). The annual changes will be discounted to a net present value to the in-service year of the project for which the cost allocation is being determined. A common year will be selected for net present value calculations for all cases to enable a comparative analysis between each Change Case and the Initial Regional Plan. For example, if a transmission project scheduled in-service beginning year 6 of the 10-year study period is deferred until after year 10 by another project in-service beginning in year 6, the change in Annual Capital-Related Costs would be computed for years 6 through 10 and converted to a net present value for year 6 of the study period. Any change in energy losses or reserves would similarly be calculated for years 6-10 as a change in cost or revenue for each affected Beneficiary and discounted to a net present value to year 6, the in-service year of the project for which the cost allocation is developed.

- 18.4.3 Analysis of Additional Alternatives. The Planning Committee, as part of its analysis performed under Section 18.4.1, shall consider the Transmission Providers' and stakeholders' identified transmission needs vis-à-vis the projects identified in the Biennial Study Plan to determine whether there are other alternatives (including unsponsored projects) which may be more efficient or cost effective in meeting the region's transmission needs.
- 18.4.4 Impacts on Neighboring Regions. The Planning Committee will monitor the impacts of projects under consideration for the Draft Regional Transmission Plan on neighboring Planning Regions. The methodology employed by the Planning Committee will identify the most efficient or cost-effective plan (either the Initial Transmission Plan or a Change Case) prior to consideration of impacts on neighboring Planning Regions. If the Planning Committee finds that such Change Case or Initial Regional Plan may cause reliability standard violations on neighboring Planning Regions, the Planning Committee shall coordinate with the neighboring Planning Regions to reassess and redesign the facilities. If the violation of reliability standards can be mitigated through new or redesigned facilities or facility upgrades within the NTTG Footprint or through operational adjustments within the NTTG Footprint, the costs of such mitigation solutions shall be considered in addition to the cost of the project(s) under consideration when selecting a project for the Draft Regional Transmission Plan. If the reliability standard

violation cannot be mitigated (by actions within the NTTG Footprint or the affected neighboring Planning Region), the Change Case or Initial Regional Plan will not be selected for the Draft Regional Transmission Plan. The impacts of upgrades on, or additions to, the neighboring Planning Regions, whether identified by Planning Committee or the neighboring Planning Regions, will be considered by the Planning Committee; provided, however, any costs associated with such impacts in the neighboring Planning Regions will not be accepted for cost allocation, and will not be considered when selecting a project for the Draft Regional Transmission Plan. The evaluation specified in this Section 18.4.3 will be repeated, as necessary, until the Change Case or Initial Regional Plan is selected for the Draft Regional Transmission Plan pursuant to Section 18.4.1

- 18.4.5 Draft Regional Transmission Plan. The Planning Committee shall produce a Draft Regional Transmission Plan by the end of Quarter 4. The projects selected into the Draft Regional Transmission Plan are determined according to Section 18.4.1, and the projects selected into the Draft Regional Transmission Plan for cost allocation are determined according to Section 19.

18.5 Quarter 5 – Stakeholder Review of Draft Regional Transmission Plan

- 18.5.1 Public Review. The Planning Committee will facilitate stakeholder review and comment on the Draft Regional Transmission Plan, including assessment of the benefits accruing from transmission facilities planned according to the transmission planning process.
- 18.5.2 Public Comment and Updates. Any stakeholder may submit comments on the Draft Regional Transmission Plan to the Planning Committee chair through info@nttg.biz. Stakeholder comments may include identification of a new unsponsored project. New unsponsored projects will be considered to the extent feasible, as determined by the Planning Committee, without delaying the development of the Regional Transmission Plan. New unsponsored projects that are not considered during the current Regional Planning Cycle will be noted in the Regional Transmission Plan and carried forward for consideration in the following Regional Planning Cycle. In addition, Project Sponsors and stakeholders that submitted projects included in the Draft Regional Transmission Plan shall update data provided in Quarter 1 using the same forms identified in Quarter 1; provided however, only changes that should likely lead to a material change, individually or in the aggregate, in the Draft Regional Transmission Plan and match the level of detail described in quarter 1 above need to be submitted. Changes to third-party contractor information or the timeline for entering into a definitive agreement with third-party contractor is considered a material change and

must be updated, to the extent the information is different than the information provided in Quarter 1. All stakeholder submissions will be evaluated, in consultation with stakeholders, 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 requirements, address economic considerations and meet transmission needs driven by Public Policy Requirements.

- 18.5.3 Submission of Economic Study Requests. Stakeholders may submit Economic Study Requests as provided for in Section 22.

18.6 Quarter 6 – Updates to the Biennial Study Plan

- 18.6.1 Updated Biennial Study Plan. The Biennial Study Plan will be updated based on the Planning Committee’s review of stakeholder-submitted comments received during Quarter 5, additional information about new or changed circumstances relating to loads, resources, transmission projects or alternative solutions, or identified changes to data provided in Quarter 1.
- 18.6.2 Cost Allocation. The Cost Allocation Committee will begin allocating costs of projects selected into the Draft Regional Transmission Plan to Beneficiaries as described in Section 19.2.
- 18.6.3 Draft Final Regional Transmission Plan. The Planning Committee will produce the Draft Final Regional Transmission Plan by the end of Quarter 6.

18.7 Quarter 7 – Draft Final Regional Transmission Plan Review

The Planning Committee will facilitate a stakeholder process for review and comment on the Draft Final Regional Transmission Plan, including assessment of the benefits accruing from transmission facilities planned according to the transmission planning process. The Planning Committee will document and consider simultaneous feasibility of identified projects, cost allocation recommendations, and stakeholder comments and produce the Draft Final Regional Transmission Plan.

18.8 Quarter 8 – Regional Transmission Plan Approval

The Planning Committee will submit the Draft Final Regional Transmission Plan to the Steering Committee for approval, completing the Regional Planning Cycle. The Planning Committee will share the approved Regional Transmission Plan for consideration in the local and interconnection-wide study processes.

Any unsponsored project in the Final Regional Transmission Plan may be resubmitted using the process described in Sections 18.1 and 18.2 above, as a Sponsored Project by a pre-qualified Project Sponsor for consideration in the next Regional Planning Cycle for purposes of cost allocation. Pursuant to Section 20.1 below, such project shall be subject to reevaluation unless it is a Committed Project.

18.9 Quarterly Meetings

The Planning Committee and Cost Allocation Committee shall jointly convene a public meeting at the end of each quarter in the Regional Study Cycle to present a status report on the development of the Regional Transmission Plan, summarize the substantive results at each quarter, present drafts of documents, and receive comments.

19. Cost Allocation

A Project Sponsor intending to submit its Sponsored Project for cost allocation must satisfy the pre-qualification requirements set forth in Section 18.1, submit the Sponsored Project as set forth in Section 18.2.2, and request cost allocation as set forth in Section 18.2.3. An Applicant desiring for its project to be considered for cost allocation as an unsponsored project must submit the unsponsored project as set forth in Section 18.2.2 and request cost allocation as set forth in Section 18.2.3. Transmission Provider may elect to allocate costs of its project through either participant funding as set forth in Section 19.1 or through NTTG's cost allocation process as set forth in Section 19.2 as either a Sponsored Project or unsponsored project, provided that Transmission Provider complies with the applicable requirements specified above.

19.1 Participant Funding

19.1.1 Open Season Solicitation of Interest. Transmission Provider may elect at its discretion to provide an "open season" solicitation of interest to secure additional project participants for any project. Upon a determination to hold an open season solicitation of interest for a project, Transmission Provider will:

- a. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate;
- b. Schedule meetings with stakeholders and/or state public utility commission staff, as appropriate; and
- c. Post information about the proposed project on its OASIS.

For any project entered into by Transmission Provider where an open-season-solicitation-of-interest process has been used, the Transmission Provider will

choose to allocate costs among project participants in proportion to investment or based on a commitment to transmission rights, unless the parties agree to an alternative mechanism for allocating project costs. In the event an open season process results in a single participant, the full cost and transmission rights will be allocated to that participant.

- 19.1.2 Projects without a Solicitation of Interest. Transmission Provider may elect to proceed with 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.
- 19.1.3 Other Sponsored Projects. Funding structures for non-Transmission Provider projects are not addressed in this Tariff. Nothing in this Tariff is intended to preclude any other entity from proposing its own funding structure.

19.2 Allocation of Costs

The Cost Allocation Committee will allocate the costs of projects the Planning Committee selects into the Draft Regional Transmission Plan for purposes of cost allocation according to this section. The Cost Allocation Committee shall use the methodology set forth in Section 19.2.2 to allocate project costs to Beneficiaries.

- 19.2.1 Project Qualification. To be eligible for cost allocation and therefore selected into the Draft Transmission Plan for purposes of cost allocation, the Planning Committee shall verify that the project:
- a. Was proposed for such purpose by a pre-qualified sponsoring entity, was an unsponsored project identified in the regional planning process, or was an unsponsored project proposed by a stakeholder (or Transmission Provider or non-incumbent transmission developer not desiring to sponsor the project);
 - b. Was selected in the Draft Regional Transmission Plan; and
 - c. Has an estimated cost exceeding \$20 million.
- 19.2.2 Allocation of Project Costs to Beneficiaries. The Cost Allocation Committee initially identifies Beneficiaries as all those entities that may be affected by the project based upon the application of the analysis criteria set forth in Section 18.4.2 and using the allocation scenarios developed pursuant to Section 19.2.3. For projects eligible to receive a cost allocation, the Cost Allocation Committee shall start with the calculations provided by the

Planning Committee pursuant to Section 18.4.1 and remove those entities that do not receive a benefit from the project being evaluated.

Before allocating a transmission project's cost, the Cost Allocation Committee will adjust, as appropriate, the calculated initial net benefits for each Beneficiary based upon the following criteria:

- a. The net benefits attributed in any scenario are capped at no less than 50% and no more than 150% of the average of the unadjusted, net benefits (whether positive or negative); and
- b. If the average of the net benefits, as adjusted by (a) above, across the allocation scenarios is negative, the average net benefit to that Beneficiary is set to zero.

Each of these adjustments is applied to each Beneficiary independent of other Beneficiaries. The initial (and adjusted) net benefits for the selected Change Case are the sum of the benefits (which numerically may be positive or negative) across each of the analysis criteria. A Beneficiary will be included in the steps above even if only one of the analysis criteria is applicable to that Beneficiary and the estimated benefits for the other analysis criteria are, by definition, zero.

The adjusted net benefits, as determined by applying the limits in the two conditions above, are used for allocating project costs proportionally to Beneficiaries. However, Beneficiaries other than the Applicant will only be allocated costs such that the ratio of adjusted net benefits to allocated costs is no less than 1.10 (or, if there is no Applicant, no less than 1.10). If a Beneficiary has an allocated cost of less than \$100,000, the cost allocated to that Beneficiary is set to zero. The following examples demonstrate the application of the benefit-to-cost ratio:

Example 1: Project Cost = \$800M; B's adjusted net benefits = \$483M; C's (Project Sponsor) adjusted net benefits = \$520M. B is allocated \$385M (i.e., the lesser of $\$800M * (\$483 / (\$483 + \$520)) = \$385M$ OR $\$483M / 1.1 = \$439.1M$) and C is allocated \$415M (i.e., $\$800 - \$385 = \$415$).

Example 2: Same as Example 1, except Project Cost = \$950M. B is allocated \$439M (i.e., the lesser of $\$950M * (\$483 / (\$483 + \$520)) = \$457.5M$ OR $\$483 / 1.10 = \$439.1M$) and C is allocated \$511M (i.e., $\$950 - \$439 = \$511$).

Unallocated costs due to the limitations above are reallocated among the remaining Beneficiaries. Reallocation will continue among regional Beneficiaries, which are still above the benefit-cost threshold (i.e., the 1.10 ratio of adjusted net benefits to allocated costs) until either all costs are allocated or there are no Beneficiaries above the 1.10 benefit-cost threshold. The Applicant may voluntarily accept any remaining project costs. Otherwise, if the thresholds prevent all costs from being reallocated among Beneficiaries and the unallocated costs are not accepted by the Applicant, the project is no longer eligible for cost allocation.

The Cost Allocation Committee shall provide its cost allocations to the Planning Committee for its inclusion in the Draft Final Regional Transmission Plan. While the estimation of benefits is not dependent or conditioned on a Beneficiary's receipt of future ownership rights or Ownership-Like Rights on the project or the transmission system(s) involved, the Cost Allocation Committee shall identify and provide with the cost allocation of any such project those transmission rights or Ownership-Like Rights that were assumed would be available to and utilized by the Beneficiary in order to realize the benefits attributed to the Beneficiary. "Ownership-Like Rights," as used in this paragraph, means those arrangements where an entity has rights in certain transmission facilities or a transmission path owned by another entity (or entities), which are based upon a percentage of the facility or path's rated capacity, and which rights remain through the in-service life of the facility or path.

- 19.2.3 Allocation Scenarios. As set forth in Section 18.3.2, during Quarters 1 and 2, the Cost Allocation Committee (in consultation with the Planning Committee) with stakeholder input, will create allocation scenarios for those parameters that likely affect the amount of total benefits of a project and their distribution among Beneficiaries. The allocation scenarios become part of the Biennial Study Plan during its development in Quarter 2, and are not used by the Planning Committee and the Cost Allocation Committee until the development of benefits pursuant to the analysis criteria in Section 18.4.2 and the allocation of costs pursuant to those benefits to Beneficiaries pursuant to Section 19.2.2 starting in Quarter 6.

The variables in the allocation scenarios will include, but are not limited to, load levels by load-serving entity and geographic location, fuel prices, and fuel and resource availability. For example, cost allocation scenarios could include a range of future load levels. Future projections of load levels in a given scenario will be based on factors such as, but not limited to projected demand for irrigation, economic development, and heating/cooling demands necessitated by weather forecasts in particular geographic locations. These

load level projections will be compared against a range of future resource options. Future projections of resource options in a given scenario will be based on factors such as, but not limited to projected fuel prices and projected yields of particular types of generation resources (e.g. wind, hydro, etc.). This process will provide the overall range of future cost allocation scenarios that will be used in determining a project's benefits and beneficiaries. In the development of the allocation scenarios the Cost Allocation Committee will give consideration to alternative resource planning scenarios developed by transmission providers within the NTTG Footprint as well as scenarios developed by other regional and Western Interconnection entities.

Use of allocation scenarios recognizes that estimates of the amount and distribution of benefits may be highly uncertain and dependent on key assumptions and projections. By using scenarios that choose data across a range of outcomes for these parameters, the potential impact of these uncertainties is estimated and incorporated in the calculation of net benefits used in cost allocation

19.3 Exclusions

The cost for projects undertaken in connection with requests for interconnection or transmission service under Parts II or III of the Tariff will be governed solely by the applicable cost allocation methods associated with those requests under the Tariff.

20. Reevaluation of Projects Selected in the Regional Transmission Plan

20.1 Reevaluation of the Regional Transmission Plan

NTTG expects the sponsor of a project selected in the prior Regional Transmission Plan (the "Original Project") to inform the Planning Committee of any project delay that would potentially affect the in service date as soon as the delay is known and, at a minimum, when the sponsor re-submits its project development schedule during quarter 1. If the Planning Committee determines that the Original Project cannot be constructed by its original in-service date, the Planning Committee will reevaluate the Original Project in the context of the current Regional Planning Cycle using an updated in-service date.

"Committed" projects are Original Projects that have all permits and rights of way required for construction, as identified in the submitted development schedule, by the end of quarter 1 of the current Regional Planning Cycle. Committed projects are not subject to reevaluation, unless the Original Project fails to meet its development schedule milestones such that the needs of the region will not be met, in which case, the Original Project loses its designation as a Committed project.

If “not Committed,” the Original Project — whether selected for cost allocation or not — shall be reevaluated, and potentially replaced or deferred, in the current Regional Planning Cycle only in the event that:

- a. The Project Sponsor fails to meet its project development schedule such that the needs of the region will not be met,
- b. The Project Sponsor fails to meet its project development schedule due to delays of governmental permitting agencies such that the needs of the region will not be met, or
- c. The needs of the region change such that a project with an alternative location and/or configuration meets the needs of the region more efficiently or cost effectively.

If condition (a), (b), or (c) is true, then the incumbent transmission provider may propose solutions that it would implement within its retail distribution service territory footprint (the “New Project”). Both the Original Project and the New Project will be reevaluated or evaluated, respectively, in Quarter 2 as any other project for consideration in the Regional Transmission Plan.

During such reevaluation the Planning Committee shall only consider remaining costs to complete the Original Project against the costs to complete the other projects being evaluated.

20.2 Reevaluation of Cost Allocation

A cost allocation shall be performed in each Regional Planning Cycle for any project that has been selected for purposes of cost allocation in the prior Regional Transmission Plan until such project is deemed “Committed” pursuant to Section 20.1.

21. Calculations

The Planning Committee shall include the calculations conducted pursuant to Section 18.4 in the Regional Transmission Plan, and the Cost Allocation Committee shall include the calculations conducted pursuant to Section 19.2 in the Regional Transmission Plan. Unless precluded by software licensing requirements or other limitations, the Planning Committee and the Cost Allocation Committee shall utilize best efforts to provide input data, and calculated output data to requesting stakeholders. The Planning Committee and the Cost Allocation Committee shall also identify the models utilized and the contact information of the vendors providing the model to requesting stakeholders. Stakeholders may comment

on the clarity of the calculations considered by the Planning Committee and the Cost Allocation Committee.

22. Economic Study Requests

22.1 Submission of Economic Study Requests

Any stakeholder may submit a:

- a. Local Economic Study Request to the Transmission Provider as provided for in Section 7;
- b. Regional Economic Study Request to the Planning Committee as provided for in Section 23.1; and
- c. Interconnection-wide Economic Study Request to WECC TEPPC as provided for in Section 33.1.

Be aware that local, regional, and interconnection-wide Economic Study processes have different submission windows and requirements. Stakeholders must comply with each process's submission windows and requirements.

22.2 Review for Completeness

The Planning Committee or the Transmission Provider will review the information it receives pursuant to this Section 22 for completeness. If a stakeholder fails to meet the information requirements, the Planning Committee or Transmission Provider shall notify the stakeholder of the reasons for such failure. The Planning Committee or Transmission Provider will attempt to remedy deficiencies in the submitted information through informal communications with the stakeholder. If such efforts are unsuccessful within 15 calendar days of the close of the submission window, the Planning Committee or Transmission Provider shall return the stakeholder's information, and stakeholder's request shall be deemed withdrawn. The Planning Committee or Transmission Provider may consider the incomplete data in its consideration of whether to include an unsponsored project that resembles a request set forth in a withdrawn submission. Stakeholder may resubmit the request for consideration during the next submission window with updated information and data deficiencies cured.

22.3 Categorization and Processing of Economic Study Requests

All Economic Study Requests will be categorized by the Planning Committee or the Transmission Provider as a Local Economic Study Request, a Regional Economic Study

Request, or an Interconnection-wide Economic Study Request. Local Economic Study Requests will be forwarded to the Transmission Provider and processed as set forth in Section 7. Regional Economic Study Requests will be forwarded to the Planning Committee and processed as set forth in Section 23. Interconnection-wide Economic Study Requests will be forwarded to WECC TEPPC and processed as set forth in Section 33.

23. Regional Economic Study Requests

23.1 Submission Windows

Regional Economic Study Requests may be submitted in Quarters 1 and 5 of each Regional Study Cycle, and must be received by March 30th of each year. A Regional Economic Study Request is submitted to the Planning Committee using the Economic Study Request Form. Additionally, to be considered a Regional Economic Study Request, the stakeholder must request membership in the Planning Committee according to the terms and conditions of the Planning Committee Charter, or sign the Economic Study Agreement, attached as Exhibit A. A stakeholder shall submit completed forms to the Planning Committee, through info@nttg.biz.

23.2 Studies Performed

The Planning Committee will complete up to two (2) Regional Economic Studies per Regional Planning Cycle. By April 30th each year, the Planning Committee will determine the Regional Economic Study(ies) to be performed by the end of the respective Quarter 4 or 8 of the Regional Planning Cycle. If the Regional Economic Study cannot be completed by the end of the respective Quarter 4 or 8 of the Regional Planning Cycle, the Planning Committee will notify the study request sponsor of the delay, provide an explanation of the delay, and provide an estimated completion date. If the Planning Committee receives more than two (2) Regional Economic Study Requests per Regional Planning Cycle, it will prioritize the requests and determine which Regional Economic Study Request(s) will be performed based on an evaluation of the following:

- a. The most significant opportunities to reduce overall costs of the Regional Transmission Plan while reliably serving the load growth needs being studied in the Regional Transmission Plan, and
- b. Input from stakeholders at the Planning Committee meeting.

The Planning Committee shall notify the entities submitting Regional Economic Study Requests of its decision.

23.3 Additional Studies

The Planning Committee will complete additional Regional Economic Study Requests at the sole expense of the parties requesting such studies. A stakeholder shall request an additional study within ten (10) business days of receiving the notice provided for in provided for in Section 23.1, by emailing the Planning Committee chair through info@nttg.biz. Following such notice, Transmission Provider will tender a study agreement that addresses, at a minimum, cost recovery for the Transmission Provider and schedule for completion. The requesting party shall be responsible for the actual cost of the additional regional Economic Study.

23.4 Clustering Study Requests

The Planning Committee will cluster and study together Regional Economic Study Requests if all of the Point(s) of Receipt and Point(s) of Delivery match one another or, in the alternative, it is reasonably determined by the Planning Committee that the Regional Economic Study Requests are geographically and electrically similar, and can be feasibly and meaningfully studied as a group.

23.5 Unaccommodated Economic Study Requests

All Regional Economic Study Requests not accommodated within the current study cycle will be deemed withdrawn and returned to the stakeholder without action and the stakeholder may submit the Regional Economic Study Request in the next Regional Planning Cycle.

23.6 Study Schedule

In Quarters 1 and 5, Regional Economic Study Requests are submitted by Stakeholders to the Planning Committee. In Quarters 2 and 6, study plans are developed by the Planning Committee for the Regional Economic Study Requests that will be modeled. In Quarters 3 and 7, Regional Economic Studies are performed by the Planning Committee or under the Planning Committee's direction. In Quarters 4 and 8, results of the regional Economic Studies are reported by the Planning Committee in the Draft Regional Transmission Plan and the Regional Transmission Plan, respectively, and provided to the requesting party.