



October 11, 2012

VIA E-TARIFF FILING

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

Re: Nevada Power Company and Sierra Pacific Power Company
(The NV Energy Inc., Operating Companies)
Docket No. ER13-_____
Order No. 1000 OATT Compliance Filing

Dear Secretary Bose:

Pursuant to Section 206 of the Federal Power Act (“FPA”),¹ Order Nos. 890² and 1000,³ issued by the Federal Energy Regulatory Commission (“FERC” or “Commission”), and Part 35 of the Commission’s Rules and Regulations,⁴ Nevada Power Company, d/b/a NV Energy and Sierra Pacific Power Company, d/b/a NV Energy (collectively, the “NV Energy, Inc. Operating Companies” or “NV Energy”) hereby submits its compliance filing to reflect changes to Attachment K of its Open Access Transmission Tariff (“OATT”). The NV Energy, Inc. Operating Companies’ Attachment K is included with this filing as Exhibit A (clean version) and Exhibit B (redline version) with an effective date of the date of Commission’s approval of the NV Energy, Inc. Operating Companies’ Order No. 1000 compliance filing.

¹ 16 U.S.C. 824e (2006).

² *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 72 FR 12266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241, *order on reh’g*, Order No. 890-A, 73 FR 2984 (Jan. 16, 2008), FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh’g and clarification*, Order No. 890-B, 73 FR 39092 (July 8, 2008), 123 FERC ¶ 61,299 (2008), *order on reh’g*, Order No. 890-C, 74 FR 12540 (Mar. 25, 2009), 126 FERC ¶ 61,228 (2009), *order on clarification*, Order No. 890-D, 74 FR 61511 (Nov. 25, 2009), 129 FERC ¶ 61,126 (2009).

³ *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 76 Fed. Reg. ¶ 49,842 (Aug. 11, 2011), FERC Stats. & Regs. ¶ 31,323 (2011), *order on reh’g and clarification*, Order No. 1000-A, 139 FERC ¶ 61,132 (2012) (“Order No. 1000”).

⁴ 18 C.F.R. § 35.28(c) (2011).

COMMUNICATIONS

Communications regarding this filing should be sent to the following individuals:

Patricia Franklin
Manager – Revenue Requirement,
Regulatory Accounting & FERC
NV Energy
6100 Neil Road
Reno, NV 89511
(775) 834-5824
pfranklin@nvenergy.com

Grace C. Wung*
Associate General Counsel
NV Energy
6100 Neil Road
Reno, NV 89511
(775) 834-5793
gwung@nvenergy.com

Brian Whalen
Director - Transmission System Planning
NV Energy
6100 Neil Road
Reno, NV 89511
(775) 834- 5875
bwhalen@nvenergy.com

* Persons authorized to receive service in this proceeding.

I. DESCRIPTION OF THE FILING PARTIES

Sierra Pacific Power Company (“SPPC”) and Nevada Power Company (“NPC”) are both public utilities operating in the state of Nevada, and are both wholly owned subsidiaries of NV Energy, Inc., a public utility holding company. SPPC and NPC serve approximately a combined 45,592-square-mile service territory in the state of Nevada, and together they serve approximately 1.17 million customers. The NV Energy Inc., Operating Companies serve approximately 842,000 electric customers in southern Nevada, primarily in Las Vegas, and 325,000 electric customers in northern Nevada, as well as 153,000 natural gas customers in the Reno-Sparks area of northern Nevada. The NV Energy Inc., Operating Companies provide transmission service pursuant to their FERC-approved OATT and have been an active participant in regional and subregional transmission planning organizations, including the Western Electricity Coordinating Council (“WECC”), WestConnect, the Sierra Subregional Planning Group (“SSPG”), as well as the Southwest Area Transmission (“SWAT”) planning group.

II. BACKGROUND

In Order No. 1000, the Commission established a number of requirements applicable to transmission owning and operating public utilities. Those requirements include, but are not limited to, the following:

- Participation in a regional transmission planning process that satisfies the principles outlined in Order No. 890⁵ and results in a regional transmission plan.
- Planning processes that explicitly provide for consideration of public policy requirements.
- Nonincumbent developers must have opportunities comparable to that of incumbent developers.
- A regional cost allocation method for new transmission facilities that meets the cost allocation principles⁶ in Order No. 1000 must be developed. Those principles are:
 - Allocated costs must be roughly commensurate with estimated benefits.
 - Costs cannot be involuntarily allocated to parties that do not benefit from the project(s).
 - A benefit to cost ratio of greater than 1.25 cannot be used without justification and Commission approval.
 - Costs cannot be allocated outside a region unless agreed upon by the other region.
 - Allocation methods and identification of beneficiaries must be transparent.
 - Different allocation methods may be used for different types of projects.
- Each pair of neighboring regions is required to coordinate in order to determine if there are more efficient or cost-effective solutions to the transmission needs of the two regions. The regions are also required to develop information sharing processes and procedures to jointly evaluate projects proposed to be located in both regions.
- Each transmission provider must amend its OATT to incorporate the processes and methods developed to comply with Order No. 1000.

III. ORDER NO. 1000 PLANNING REGION

As previously stated, NV Energy Inc., Operating Companies have been active participants in regional and subregional transmission planning for many years. Following the issuance of Order No. 890, transmission providers in the West formed the WestConnect regional planning group for the WestConnect planning region to coordinate regional planning in the West under a WestConnect Project Agreement for Subregional Transmission Planning (“STP Agreement”).⁷ Pursuant to the STP Agreement (executed in 2007) transmission providers in the west collaborated with respect to the subregional transmission planning processes at the Colorado Coordinated Planning Group (“CCPG”), SSPG, and SWAT, through the WestConnect planning region, an annual Transmission Plan Report is proposed.

Following the issuance of Order No. 1000, the WestConnect members⁸ established a process for all stakeholders to participate in developing a regional transmission planning process and cost allocation methodology (the “WestConnect Order No. 1000 implementation process”). The result of that process is reflected in this filing.

⁵ The principles are also included in Order No. 1000 at P 151. The principles are coordination, openness, transparency, information exchange, comparability, dispute resolution, and economic planning.

⁶ *See id.* at P 612-693.

⁷ FERC jurisdictional signatories to the STP Agreement include: Arizona Public Service Company, Black Hills Corporation, El Paso Electric Company, Nevada Power Company, Sierra Pacific Power Company, Public Service Company of New Mexico, Tucson Electric Power Company, and Xcel Energy.

⁸ The WestConnect members include both FERC jurisdictional and non FERC jurisdictional transmission owners/providers.

IV. IMPLEMENTATION AND STAKEHOLDER PARTICIPATION

The WestConnect Order No. 1000 implementation process was an inclusive, strike team-based approach that allowed multiple avenues for WestConnect members and interested stakeholders to provide input into the Order No. 1000 implementation process. Five strike teams were initially formed to divide the tasks required by Order No. 1000 and an additional strike team was created later to draft a participation agreement. Each of the teams was populated by volunteers from jurisdictional and non-jurisdictional pre-Order No. 1000 WestConnect members as well as interested stakeholders. A description of each strike team follows:

- **Governance:** Developed the management, contractual framework, and voting requirements for the WestConnect Order No. 1000 transmission planning process.
- **Communication:** Developed the stakeholder engagement plans, coordinated committee and stakeholder meetings, and developed WestConnect website formats and information.
- **Planning:** Developed the Order No. 1000 compliant planning processes including incorporation of public policy requirements, project submission and evaluation criteria, and information sharing procedures.
- **Cost Allocation:** Developed the methods to identify benefits and beneficiaries of proposed transmission projects as well as the associated cost allocation methods.
- **Compliance:** Developed the WestConnect Order No. 1000 participation principles, OATT transmission planning attachment language, and common filing language.
- **Legal & Negotiating:** Created after the governance process was known, this team is tasked with developing an executable Planning Participation Agreement encompassing the principles and processes agreed upon in the Order No. 1000 implementation process. The Legal & Negotiating process is ongoing as of the date of this compliance filing.

WestConnect actively solicited stakeholder involvement early in the Order No. 1000 implementation process by offering interested stakeholders several options to engage in the process. First, WestConnect held a series of widely announced stakeholder meetings. Between October 2011 and October 2012 six of these meetings were held in Denver, Colorado; Phoenix, Arizona; and Las Vegas, Nevada. Each of these meetings was designed to engage stakeholders, provide status updates from each of the strike teams, and seek input on strike team proposals. The meetings were also available by phone and/or webcast to allow participants to avoid travel expense. Second, interested stakeholders were given the opportunity to be active members on any or all of the strike teams in which they were interested. This resulted in state regulators, key interest groups, independent developers, and representatives from WestConnect member transmission owners all participating on the teams. Third, WestConnect posted any significant documents related to the Order No. 1000 implementation process for public viewing on its website.⁹ This included agendas, presentations, and meeting notes for the Order No. 1000 strike teams and stakeholder meetings, the WestConnect Order No. 1000 Comprehensive Communication Plan (“Communication Plan”), milestone schedules, and meeting calendars with times, dates, and maps to meeting locations. This provided transparency to the process and facilitated stakeholder access. Finally, WestConnect members and interested stakeholders were given multiple opportunities to provide comments and edits on documents including the

⁹ The website is http://www.westconnect.com/planning_order_1000_stakeholder_process.php.

Communication Plan, WestConnect Regional Planning Process Business Practice Manual (“BPM”),¹⁰ and stakeholder meeting agendas and notes.

V. WESTCONNECT ORDER NO. 1000 GOVERNANCE, ENROLLMENT, AND VOTING

WestConnect’s Order No. 1000 transmission planning and cost allocation processes are proposed to be organized under and governed by its Planning Management Committee (“PMC”). As proposed, the PMC will be comprised of representatives from five membership sectors: (1) Transmission Owners with Load Serving Obligations; (2) Transmission Customers; (3) Independent Transmission Developers and Operators; (4) State Regulatory Commissions; and (5) Key Interest Groups. The PMC responsibilities will include approving a Regional Transmission Plan that includes cost allocation processes, developing and approving budgets for WestConnect’s Order No. 1000 planning functions, and creating or dissolving ad hoc workgroups and/or subcommittees under the PMC. The proposed governance structure also includes two subcommittees reporting to the PMC: (1) Planning Subcommittee, tasked with establishing base cases and producing the Regional Transmission Plan and, (2) Cost Allocation Subcommittee, tasked with making recommendations to the PMC on transmission project benefits and beneficiaries and the associated cost allocation methodologies. Additional subcommittees may be created as needed.

Entities wishing to enroll in the WestConnect Order No. 1000 transmission planning and cost allocation processes will be required to complete an application form, execute the Planning and Participation Agreement (when completed), and pay membership dues, if applicable. The application will be available on the WestConnect website and will collect basic information such as the entity’s legal name, representative contact information, and requested membership sector.¹¹

The Planning and Participation Agreement is in development as of the date of this compliance filing, but will be based on the framework of principles agreed upon in the Governance Strike Team implementation efforts. Those principles include, but are not limited to, enrollment and withdrawal procedures, member sector definitions, rights and responsibilities of the members and committees, voting procedures, and dispute resolution. Membership dues will be a nominal amount and will not be assessed to State Regulatory Commissions, as will be described in the WestConnect Planning Participation Agreement. Transmission Owners with Load Serving Obligations will also not be assessed additional membership dues because they already bear primary cost responsibility for the WestConnect transmission planning and cost allocation processes and will fund all budgeted activities in excess of those costs contributed by the dues of other WestConnect members.

To be clear, a stakeholder does not need to join a WestConnect Order No. 1000 membership sector to participate in the WestConnect Order No. 1000 regional transmission planning and cost allocation process. Open participation opportunities are accorded to all interested parties and include (a) at least four open meetings within the biennial period in which

¹⁰ The BPM is posted at http://www.westconnect.com/planning_order_1000_stakeholder_process.php.

¹¹ Entities may only join one sector.

the regional plan is developed, and (b) opportunities to submit projects for consideration, and offer comments on proposals under consideration. Additionally, all WestConnect PMC meetings will be open to stakeholder participation, except for occasional executive sessions to discuss confidential issues such as contractual or personnel matters.

The NV Energy, Inc. Operating Companies provide below a list of current WestConnect Order No. 1000 FERC jurisdictional transmission owning members. We also note that current WestConnect members also include non-jurisdictional transmission owners. Following final Commission action on the Order No. 1000 compliance filings, the NV Energy Inc., Operating Companies understand that the non-jurisdictional transmission owners will make a decision about whether to formally enroll in the WestConnect Order No. 1000 regional transmission planning and cost allocation process.

The NV Energy Inc., Operating Companies propose that the list of members that ultimately enroll in the WestConnect Order No. 1000 regional planning process be maintained on the WestConnect website to avoid the administrative burden of updating the NV Energy Inc., Operating Companies' OATT each time an entity decides to join or exit the WestConnect transmission planning process. The current WestConnect jurisdictional transmission owning members are:

Jurisdictional Utilities:

Arizona Public Service Company
Black Hills Corporation
El Paso Electric Company
Nevada Power Company
Sierra Pacific Power Company
Public Service Company of Colorado
Public Service Company of New Mexico
Tucson Electric Power Company
UNS Electric, Inc.

As discussed in Section III of Attachment K, WestConnect has developed a formal voting structure for the PMC.¹² Within each sector, an affirmative vote of at least 75 percent of the sector's members is required to approve a proposal. Among the five sectors, a simple majority of sectors must approve a proposal (i.e., at least three of the five sectors), and one of the approving sectors must be the Transmission Owners with Load Serving Obligations sector. If the four sectors other than the Transmission Owners with Load Serving Obligation sector approve a proposal, then only 67% of the Transmission Owners with Load Serving Obligation sector must approve the motion.

In order to qualify as an active member, a PMC member must actively participate by attending at least three PMC meetings each year in person or by phone and must be current with

¹² The NV Energy Inc., Operating Companies have included a description of the voting measures as requested in Order No. 1000-A at P 269.

annual dues. A PMC member not meeting the minimum participation and funding requirements will be deemed by the PMC to be an inactive member unless or until it meets the active member criteria. Inactive members will not be included in voting.

VI. THE REGIONAL PLANNING PROCESS

The purpose of the proposed WestConnect transmission planning process is to identify regional needs and to determine the most efficient or cost effective solutions for those regional needs. As an initial matter, WestConnect will use WECC-approved regional system base cases as a reference point to begin the regional power flow and economic analyses. Then WestConnect will run a number of base cases using power flow, production cost modeling, and other modeling qualifiers such as seasons and hours.

Once the base cases are established, the model will be validated. This will be done through the performance of a regional reliability assessment for the WestConnect Order No. 1000 planning region to ensure that loads, resources, existing transmission topology, enacted public policy and transmission owner/provider local plans are incorporated into the base cases, and that local transmission owner/provider plans are simultaneously feasible under a consistent set of data assumptions. Various studies are to be performed at this stage, including, but not limited to, steady-state power flow, voltage, stability, short circuit, and transient studies. If a reliability violation is identified, it will be referred back to the applicable transmission owner/provider for resolution.

Production cost modeling also plays a role in the analysis if there is a WECC Board-approved recommendation to evaluate a regional area of concern, or if a regional scenario is approved for study by the WestConnect PMC. In this regard, highly utilized and congested paths will be subject to investigation in the planning process through a production cost model analysis.

Non-transmission alternatives will also be considered in assessing the need for transmission additions and/or upgrades to maintain the reliability of the system, meet public policy requirements, or provided economic benefits. Non-transmission alternatives include, but are not limited to, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines such as distributed generation, demand-side management, energy efficiency, and demand response. Non-transmission alternatives will be evaluated to determine if they provide a more efficient or cost-effective solution to an identified regional transmission need.

Upon completion of the studies and stakeholder input, the WestConnect PMC will vote to approve the Regional Transmission Plan, which will explain why projects were either included or not included in the plan.

Because the WestConnect regional transmission planning cycle is biennial, WestConnect will develop and publish a Regional Transmission Plan every other year. Because this compliance filing is being submitted in the midst of the existing WestConnect planning process, the first WestConnect Regional Transmission Plan will be produced no earlier than two calendar years (and no later than three calendar years) following final Commission action on the Order

No. 1000 compliance filings of the public utility providers who formally enroll in the WestConnect Planning Region.¹³

The WestConnect PMC will also be responsible for determining, during each planning cycle, when and if projects are to be reevaluated. Projects subject to reevaluation include, but are not limited to:

- Projects that are delayed and fail to meet their submitted in-service date by more than 2 years;
- Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations;
- Projects with any change in participation or cost allocation entities that result in a project that is not fully funded; and
- Projects with a change in the calculation of benefits or benefit to cost ratio.

VII. SATISFACTION OF THE COMMISSION'S NINE PLANNING PROCESS PRINCIPLES

In compliance with the Commission's Order No. 1000 mandate, the NV Energy Inc., Operating Companies' Attachment K provides for a coordinated, open, non-discriminatory, and transparent transmission planning process at the regional level; one that satisfies Order No. 890 principles and produces a regional plan reflecting solutions that meet the region's needs more efficiently or cost-effectively. The nine transmission planning process principles established in Order No. 890 are coordination, openness, transparency, information exchange, comparability, dispute resolution, regional participation, economic planning studies and cost allocation for new projects. These nine principles are incorporated throughout the proposed regional planning process, as summarized below:

1. Coordination

The regional planning process is marked by coordination at every stage:

- Coordination with WECC and its planning sub-groups with respect to its data, from which the region's base case will be developed and from which the WestConnect regional planning efforts spring forward.
- Coordination between and among the many different stakeholders who are to develop the regional plan itself and are charged with studying new transmission projects and non-transmission alternatives, and making selections on which projects are eligible for cost allocation. Section VI above discussed the member and stakeholder sectors performing these functions.

¹³ In Order No. 1000 at P 162, the Commission acknowledged that its order could take effect in the middle of a planning cycle, and directed public utility transmission providers to explain how they intend to implement the requirements of Order No. 1000 in those circumstances.

2. Openness

The regional planning process is open to all interested parties. Each stakeholder may decide whether to participate in the development of the Regional Transmission Plan itself, which would require that it become a member of the PMC and shoulder the responsibilities that come with such membership, including:

- responsibility for developing and approving a budget for WestConnect transmission planning functions;
- responsibility for developing and approving an annual scope of work for regional transmission planning activities, including holding at least two open stakeholder meetings each year;
- responsibility (as necessary) for hiring and terminating planning staff;
- responsibility for arranging for the purchase of goods and services, including consultant services to perform regional transmission planning functions; and
- responsibility for approving a Regional Transmission Plan every two years, and defending that plan against any adverse claims that arise.

Those entities that would like to participate in the planning process without shouldering those responsibilities may participate in the planning process by attending and offering comments at open stakeholder meetings, though without the right to cast a vote on proposals. Stakeholder opportunities for timely input and meaningful participation could include requesting studies of potential upgrades or grid investments, offering alternative transmission solutions to meet identified grid needs, offering public policy input, offering non-transmission alternatives, sponsoring a transmission project for evaluation in the planning process, commenting on the plan, and so on. Notices of open stakeholder meetings will be published on the WestConnect website and, if requested, emailed to interested stakeholders.

3. Transparency

Transparency is provided for in two primary ways: First, the transparency of the *decision-making process* is ensured by having any person or company desiring membership on the PMC to identify itself openly. Second, the transparency of the *planning process* is ensured by the public posting of the individual steps in the study process, and the deadlines for action required at each step, as well as by allowing interested stakeholders to gain access to study data, subject to applicable confidentiality, Critical Energy Infrastructure Information (“CEII”), and standards of conduct requirements.

4. Information Exchange

Information exchanges occur throughout the process, including:

- Information provided by WECC and its Planning Coordination Committee (“PCC”) and Transmission Expansion Planning Policy Committee (“TEPPC”) sub-groups to assess transmission over a 10-year planning horizon.
- Information provided by transmission owners and providers within the region with respect to their local transmission plans, as well as any updates or supplements to base case data.
- Information provided by independent transmission companies with respect to transmission needs they seek to serve through new transmission projects, so that the potential reliability and operational impacts of their projects on the region may be assessed.
- Information provided by state commissions on public policy and other considerations of importance to them, so that enacted public policy can be considered in the region’s base case assumptions, and non-enacted public policy can be evaluated in the scenario planning analysis.
- Information provided by entities seeking greater reliance on non-transmission alternatives that offer an alternative to planning, permitting, and construction of additional transmission facilities that would otherwise be necessary.

5. Comparability

The WestConnect regional transmission planning process provides a comparable opportunity for incumbent and non-incumbent transmission project developers to recover the cost of transmission facilities by allowing any stakeholder the opportunity to submit such projects for purposes regional cost allocation. Specific rules, such as confidentiality measures, also are applied uniformly to the NV Energy, Inc. Operating Companies and stakeholders. Stakeholders are accorded an opportunity to participate in identifying and evaluating potential solutions to regional needs on a basis that is comparable to the participation accorded the NV Energy, Inc. Operating Companies, and may play a role in selecting projects for the regional plan through membership in the WestConnect PMC.

6. Dispute Resolution

Disputes that arise from the regional planning process are addressed in Section V. The NV Energy, Inc. Operating Companies’ Attachment K, with an intermediate mediation option before or during arbitration. While the dispute resolution procedures in Attachment K are intended to resolve disputes between stakeholders and the NV Energy, Inc. Operating Companies, it is likely that dispute resolution procedures focused on the regional planning process will be developed as part of the WestConnect Planning Participation Agreement that the members of the PMC will sign in order to gain decision-making rights and responsibilities on the PMC. The NV Energy, Inc. Operating Companies do not intend to incorporate within its OATT the dispute resolution provisions governing disputes between PMC members; however, WestConnect will post on its website the WestConnect Planning Participation Agreement upon its execution by the members.

7. Regional Participation

The pre-Order No. 1000 WestConnect members own more than 33,000 miles of high voltage transmission line and the pre-Order WestConnect footprint currently covers all or nearly all of Colorado, New Mexico, Nevada, and Arizona and parts of Nebraska, South Dakota, California, Wyoming, and Texas. The transmission owning members of the WestConnect region are to signify their commitment to have WestConnect perform its regional transmission planning activities by executing the WestConnect Planning Participation Agreement following final Commission action on the Order No. 1000 compliance filings of the jurisdictional transmission owners within the region.

Within this proposed planning region, participation in the regional transmission planning process is open to anyone desiring it, from the highest level of participation as a decision-maker on the plan and its contents (through membership on the PMC) to participation via non-decision-making roles (through attending meeting, offering proposals, comments on others' proposals, etc.). Please see the section above, entitled "Openness" for further details on how participants within the region may have their voices heard during the planning process.

8. Regional Economic Planning Studies

WestConnect economic studies (consisting of production cost models) are to be initiated upon a WECC Board-approved recommendation to further investigate highly utilized and congested paths within the WestConnect Order No. 1000 planning region.

9. Cost Allocation for New Projects

Eligibility for cost allocation for new transmission projects is determined through the application of six regional cost allocation principles in compliance with Order No. 1000, as addressed in Section XI below.

VIII. PUBLIC POLICY CONSIDERATIONS

As discussed above, the purpose of the proposed regional planning process is to identify regional transmission needs and to determine the most efficient or cost effective solutions for those regional needs. Among the various alternative solutions to be analyzed during each biennial regional planning process are those projects that have the potential to aid in meeting transmission needs driven by public policy requirements. Public policy requirements are those requirements enacted by state or federal laws or regulations, including those laws enacted by local governmental entities, such as a municipality or county. During the initial stages of each regional transmission planning cycle, the PMC will review enacted public policy requirements and determine which transmission needs will be included in the modeling for that cycle. Proposed public policy requirements may be evaluated in the scenario planning analysis stage of the regional planning process if time and resources permit.

Public policy requirements will also be considered as part of the local transmission planning processes. Procedurally, transmission needs driven by public policy requirements will be identified by the individual transmission owners within the WestConnect planning region through their respective local planning processes. Those needs, and any projects necessary to satisfy them, will be submitted to WestConnect in accordance with the regional planning process for inclusion in the Regional Transmission Plan.

All stakeholders have the opportunity to participate in the evaluation of transmission needs driven by public policy requirements and the evaluation of the projects proposed to satisfy those needs through both the local and regional planning processes. This participation may be in the form of participation at both local and regional open meetings; through study requests submitted in the local and regional planning processes; and/or by submitting project proposals under the regional planning process.

The evaluation of potential solutions to the identified transmission needs will occur in the same manner used to evaluate any other project proposed in the local planning process and/or regional planning process, on comparable basis, whether or not such solutions are submitted for purposes of regional cost allocation. As part of this process, WestConnect will post on its website an explanation of which transmission needs driven by public policy requirements will be evaluated for potential solutions in the WestConnect Regional Planning Process, as well as an explanation of why other suggested needs will not be evaluated.¹⁴

IX. PROJECT SUBMISSION

To ensure an open, transparent and nondiscriminatory regional planning process, any stakeholder, whether an incumbent transmission developer/provider¹⁵, nonincumbent transmission developer¹⁶, independent or merchant transmission company, a transmission customer, state regulator, or any other key interest group, may propose a transmission project to be evaluated under the WestConnect regional planning for possible inclusion in the regional plan for purposes of cost allocation. Any stakeholder may submit proposals for non-transmission alternatives to be considered on a comparable basis in the regional planning process. However, solutions involving non-transmission alternatives will not be eligible for cost allocation; as such cost recovery exceeds the scope of the transmission cost allocation reforms described in Order No. 1000.¹⁷ As part of that submittal, project proponents shall, among other items described in the WestConnect BPM:

- provide a flat submittal fee payment of \$25,000;
- identify a specific regional need that the project is intended to address (*e.g.*, a reliability, economic/congestion relief, or public policy need);

¹⁴ *Id.* at P 209.

¹⁵ See Order No. 1000 at ¶ 225 (where incumbent transmission developer/provider is defined as “an entity that develops transmission projects within its own retail distribution service territory or footprint”)

¹⁶ See *id.* at ¶ 225 (where a nonincumbent transmission developer is defined as either: “(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.”).

¹⁷ See *id.* at ¶ 779.

- provide a project description that includes: (a) a scope; (b) points of interconnection to existing system or facilities under construction; (c) voltage; (d) alternating current/direct current; (e) circuit configuration; (f) impedance information; and (g) approximate circuit mileage;
- specify any special facilities required for the project;
- diagram the geographical location and preferred project route (including a general description of general permitting considerations and challenges);
- provide an estimate of total project costs;
- provide any additional independent studies that may aid in the evaluation of the project;
- provide a status within the WECC path rating process and any WECC studies conducted for the project proponent;
- provide the necessary change files (*e.g.*, .epcl, .epc, idevs, or python scripts);
- provide the plan for post construction maintenance and operation of the facilities; and
- provide a projected in-service date.

All information and fees associated with project submittals under the WestConnect Order No. 1000 regional transmission planning process will be submitted during the fourth quarter of the biennial regional transmission planning cycle. Reasonable advanced notice of the specific submission period shall be posted on the WestConnect website and will also be made via e-mail to the WestConnect stakeholders that request to be included on the appropriate WestConnect distribution list. In the event a project submission is deficient, the submitter shall be provided notice and an opportunity to cure the deficiency.

The submittal fee will become nonrefundable once the regional study process commences. The submittal fee will not be required if a project is included in WestConnect regional planning base cases, but is not submitted for purposes of regional cost allocation (*e.g.* a merchant or participant funded project).

Stakeholders that desire to submit a non-transmission alternative solution for evaluation under the regional transmission planning process for possible inclusion in the regional plan, but which will not be eligible for regional cost allocation, must be able to provide the information necessary for the alternative to be modeled in the regional planning studies. To the extent possible, stakeholders submitting non-transmission alternative solutions should satisfy the criteria outlined in the WestConnect BPM. In addition, stakeholders that desire to submit a project involving a non-transmission alternative solution shall also pay a \$25,000 submittal fee.

Merchant developers will be required to comply with the same transmission project submission criteria as described above for their project proposals to be eligible for evaluation under the WestConnect regional transmission planning process. Additionally, to be eligible to submit a project under the WestConnect regional planning process, a merchant developer is responsible for properly registering with North American Electric Reliability Corporation (“NERC”) and WECC, and must comply with all applicable NERC, WECC, local, state, regional, and federal requirements.

X. COST ALLOCATION

In compliance with the Commission's Order No. 1000 mandate, the NV Energy, Inc. Operating Companies' Attachment K adopts a cost allocation framework which satisfies the six regional cost allocation principles of: (1) allocating costs in a way that is roughly commensurate with benefits; (2) ensuring that there is no involuntary allocation of costs to non-beneficiaries; (3) using a cost threshold that is not so high (e.g. greater than 1.25 benefit to cost ratio) that transmission facilities with significant positive net benefits are excluded from cost allocation; (4) allocating costs solely within transmission planning region(s) unless those outside voluntarily assume costs; (5) providing a transparent method for determining benefits and beneficiaries; and (6) allowing different cost allocation methodologies to be utilized for different types of facilities.

Specifically, the NV Energy, Inc. Operating Companies' Attachment K includes revisions to its tariff to reflect the WestConnect Order No. 1000 regional transmission planning process (discussed above in Section VII) and cost allocation process. The WestConnect Order No. 1000 regional transmission planning and cost allocation process provides the timeline and criteria for projects to be identified and submitted for cost allocation consideration.

Submitted projects will be evaluated for cost allocation consideration and deemed eligible for cost allocation if they address a Reliability, Economic, or Public Policy objective in the WestConnect Order No. 1000 planning region or cross into neighboring regions, as will be addressed in the interregional compliance filing. All eligible projects are evaluated on a comparable basis and in a manner that is not unduly nondiscriminatory or preferential based on the criteria in Section III of Attachment K. Reliability projects are projects identified, through the WestConnect Order No. 1000 transmission planning process, as necessary to address a regional Transmission Planning ("TPL") reliability standard set forth by NERC. Economic projects are projects associated with congestion relief which provide for more economic operation of the regional transmission system. Public Policy projects are those projects proposed to address a public policy requirement not addressed in a WestConnect transmission owners' local transmission planning process (as discussed in Section IX above). Proponents/sponsors of Reliability, Economic or Public Policy whose projects satisfy the cost benefit requirements may be eligible to allocate the costs of such projects to the beneficiaries of those projects. However, in no event will costs be allocated to those in the WestConnect region who are not determined to be beneficiaries of a project, unless they voluntarily agree to such costs.

In order for a Reliability project to be eligible for cost allocation consideration in the WestConnect region, such Reliability project must meet a NERC TPL reliability need within the region identified through the regional planning process during the ten-year planning period. Costs for such an identified Reliability project will be allocated only to WestConnect transmission owner systems that require system improvements during that ten-year planning period in order to satisfy NERC's TPL requirements. Additionally, costs associated with Reliability projects will only be allocated to beneficiary systems to the extent those costs are more cost-effective than the costs the beneficiary system would have otherwise incurred in order to meet the NERC TPL standards (*i.e.*, reduces the costs of that beneficiary's reliability upgrade) or otherwise defers the costs that the beneficiaries would have incurred to satisfy their NERC TPL obligations.

In order for Economic projects to be eligible for cost allocation consideration within the WestConnect Order No. 1000 planning region, such a project must demonstrate that it provides for more economic operation of the system in a manner that satisfies the required benefit to cost ratio for various evaluated scenarios. Specifically, in order for an Economic project to receive cost allocation consideration, such project must demonstrate the benefit to cost ratio of that project is greater than 1.0 for each reasonable scenario evaluated and have an average ratio of at least 1.25 for all scenarios evaluated.

Public Policy projects are also eligible for cost allocation consideration in the WestConnect Order No. 1000 planning region if they are demonstrated to satisfy a public policy requirement that is not proposed through a transmission owners' local planning process. The costs of these projects shall be shared among the entities that will access the resources enabled by the project to meet their public policy requirements.

Additionally, the WestConnect Order No. 1000 cost allocation methodology also takes into consideration that a proposed project may address a combination of Reliability, Economic and/or Public Policy objectives. In such cases, the WestConnect planning process, in conjunction with stakeholders, will determine what types of benefits to consider when assessing the benefit to cost ratio for a particular project.

Single system transmission projects may be electrically connected to, and only impact one utility system; therefore, only a single entity will be allocated the cost. In many areas of the West, transmission facilities may physically span multiple service geographic territories or footprints, but only provide service to a single entity's electrical distribution service territory or footprint. These projects will be considered single system transmission projects, which are outside the scope of the WestConnect regional cost allocation procedure and are not eligible for regional cost allocation unless they provide benefits to other systems.

XI. RIGHT OF FIRST REFUSAL

Order No. 1000 requires that public utility transmission owners remove from their respective Commission-jurisdictional tariffs and agreements any provisions that grant a federal right of first refusal to construct transmission facilities selected in a Regional Transmission Plan for purposes of cost allocation, and if none exist, to so state.¹⁸ Accordingly, the NV Energy, Inc. Operating Companies informs the Commission that its Commission-jurisdictional tariffs and agreements do not contain provisions granting such a federal right of first refusal.

XII. CONSIDERATION AS A WHOLE

The NV Energy, Inc. Operating Companies' greatly appreciates the involvement of all stakeholders in providing helpful suggestions and useful feedback during the complex process of developing the WestConnect regional planning process to comply with FERC Order No. 1000. In an area that is this complex and divergent, it is perhaps not surprising that it has been a challenge for the WestConnect transmission owners to develop a consensus proposal for meeting the requirements of Order No. 1000.

¹⁸ See *id.* at ¶ 313 and ¶ 314, FN 294.

Throughout the process, stakeholders (both pre-Order No. 1000 WestConnect transmission owners and others) expressed a wide variety of opinions regarding how best to implement the requirements of Order No. 1000. The regional discretion allowed by the Commission in Order No. 1000 means there are multiple acceptable approaches to complying with Order No. 1000 and differences throughout the country will necessitate differences in each region that makes an Order No. 1000 compliance filing.

An additional factor that sets WestConnect apart from many other regions in the country is the significant role non-jurisdictional transmission owners do and must play in order to develop an effective Regional Transmission Plan. Without their participation, it would be very difficult for any of the jurisdictional transmission owners in WestConnect to participate in joint planning, as in many cases those entities are completely separated from one another by non-jurisdictional transmission owners. In developing the subject filing, the pre-Order No. 1000 WestConnect transmission owners carefully crafted a consensus approach which incorporates compromises to meet sometimes widely varying stakeholder positions. Accordingly, the NV Energy, Inc. Operating Companies understand that the non-jurisdictional transmission owners intend to review the outcome of the jurisdictional transmission owner's Order No. 1000 compliance filings to determine whether they will continue to participate in the WestConnect regional planning process.

The subject filing is just and reasonable and it provides an appropriate, balanced, and equitable compromise of the conflicting stakeholder perspectives that result in any transmission planning discussion. As a result, the NV Energy, Inc. Operating Companies encourages this compliance filing to be viewed as a whole and not a series of elements that can be interchanged without upsetting the balance of interests. To the extent the Commission finds any particular element of this filing must be modified to comply with Order No. 1000, the transmission owners that intend to participate in the WestConnect Order No. 1000 regional planning process must have the flexibility to develop a responsive filing that ensures the continued participation of all pre-Order No. 1000 WestConnect transmission owners, including those non-jurisdictional transmission owners and any others that may be interested in joining WestConnect.

XIII. REQUEST FOR EFFECTIVE DATE AND ACCEPTANCE FOR FILING

The NV Energy, Inc., Operating Companies respectfully requests the Commission accept its Attachment K for filing with an effective date of the date of the Commission's approval of this compliance filing. If you have any questions please contact the undersigned.

Sincerely,

/s/ Grace C. Wung
Grace C. Wung
Associate General Counsel
NV Energy

CERTIFICATE OF SERVICE

Pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure I hereby certify that I have this day served the foregoing document upon each of the appropriate persons.

Dated at Reno, Nevada, this 11th day of October, 2012.

/s/ Patti Pastrell
Patti Pastrell
NV Energy
6100 Neil Rd.
Reno, NV 89511

Attachment K: Transmission Planning Process

TABLE OF CONTENTS

	<u>Attachment K Page No.</u>
I. Overview Of The NV Energy, Inc. Operating Companies' Transmission Planning Process.....	3
II. NV ENERGY, INC. OPERATING COMPANIES' LOCAL TRANSMISSION PLANNING	5
A. NV Energy Companies' Local Transmission Planning Process	5
B. NV Energy, Inc. Operating Companies Stakeholder/Open Public Meeting Process for Local Transmission Planning.....	12
C. Ten or Twenty Year Transmission System Plan.....	15
D. Coordination of Reliability Planning with the Western Electricity Coordinating Council (WECC), or its successor organization.....	15
E. Cost Allocation For New Projects	15
III. WestConnect Order No. 1000 regional Transmission Planning Process.....	17
A. Overview	17
B. WestConnect Objectives and Procedures for Order No. 1000 Regional Transmission Planning	18
C. Cost Allocation Methodology in WestConnect Order No. 1000 Regional Transmission Planning Process	19
D. Roles in the Regional Transmission Planning Process	19
E. Submission of Data by Customers, Transmission Developers, and Transmission Owners	21
F. Overview of Regional Planning Methodology and Evaluation Process.....	24
G. WestConnect Reliability Planning Process.....	25
H. WestConnect Economic Planning Process.....	25
I. WestConnect Public Policy Planning Process	25
J. Consideration of Non-Transmission Alternatives.....	26
K. Approval of the WestConnect Regional Plan.....	26
L. Reevaluation of the WestConnect Regional Plan.....	26
M. Confidential or Proprietary Information	27
N. Cost Allocation	27

O.	No Obligation to Construct	32
IV.	Recovery Of Planning Costs	32
V.	Dispute Resolution Procedures	32

I. OVERVIEW OF THE NV ENERGY, INC. OPERATING COMPANIES' TRANSMISSION PLANNING PROCESS

Sierra Pacific Power Company (SPPC) and Nevada Power Company (NPC) are vertically integrated public utilities that are wholly owned subsidiaries of NV Energy, Inc., (a public utility holding company) and are referred to herein as the NV Energy, Inc. Operating Companies. The NV Energy, Inc. Operating Companies are Transmission Providers providing Transmission Service and Interconnection Service under the NV Energy, Inc. Operating Companies Open Access Transmission Tariff (OATT) and are engaged in the business of generating, transmitting and distributing electricity in Nevada, and limited transmission in California. The NV Energy, Inc. Operating Companies provide electric transmission and related reliability services under state and federal statutes and regulations. The NV Energy, Inc. Operating Companies' local, regional, and subregional transmission planning processes are based on the following three core objectives:

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

The NV Energy, Inc. Operating Companies' engage in local, regional and subregional transmission planning processes. The NV Energy, Inc. Operating Companies conduct a series of local open planning meetings at least twice a year to allow anyone, including, but not limited to, Network and Point-to-Point Transmission Customers, Interconnection Customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, interconnected neighbors, regulatory and state bodies and other stakeholders, input into and participation in all stages of development of the NV Energy, Inc. Operating Companies' local transmission plan.

In addition to their local transmission planning processes, the NV Energy, Inc. Operating Companies coordinate regional and subregional transmission planning with other transmission providers and stakeholders in the Desert Southwest, Northern Nevada and Northern California areas, and the Western Interconnection as a whole, through their active participation in the Southwest Area Transmission (SWAT) planning group, Sierra Subregional Planning Group (SSPG), membership in WestConnect,¹ membership in the Western Electricity Coordinating

1. WestConnect was formed under a memorandum of understanding (MOU) among twelve, jurisdictional and non-jurisdictional transmission providing electric utilities in the Western Interconnection. Under the MOU, the purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market participants and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint. Current FERC jurisdictional transmission utilities who have executed the WestConnect MOU are: Arizona Public Service Company, El Paso Electric Company, Nevada Power Company/Sierra Pacific Power Company, Public Service Company of Colorado, Public Service Company of New Mexico, Black Hills Power, and Tucson Electric Power Company. Following the last effective date of the NV Energy Inc. Operating Companies' Order No. 1000 compliance filing, the WestConnect members shall establish a regional planning management committee (as further described in Part III of this Attachment K) which shall be responsible for

Council (WECC) and participation in the WECC Transmission Expansion Planning Policy Committee (TEPPC) and its Technical Advisory Subcommittee (TAS), and the WECC Planning Coordination Committee.

Three subregional planning groups operate within the WestConnect footprint: SWAT, the Colorado Coordinated Planning Group (CCPG), and SSPG. The NV Energy, Inc. Operating Companies participate in the SWAT and SSPG subregional planning groups. WestConnect's planning effort, which includes funding and provision of planning management, analysis, report writing and communication services, supports and manages the coordination of the subregional planning groups and their respective studies. Such responsibilities are detailed in the WestConnect Project Agreement for Subregional Transmission Planning (WestConnect STP Project Agreement), dated May 23, 2007 (see the [Attachment K Hyperlinks List](#) in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>). The NV Energy, Inc. Operating Companies are signatories to the WestConnect STP Project Agreement.²

The subregional planning groups within the WestConnect footprint, assisted by the WestConnect planning manager (pursuant to the WestConnect STP Project Agreement) formed the WestConnect Planning Management Committee to comply with the requirements of Order No. 890, *et. al*, and coordinate with other Western Interconnection transmission providers and their subregional planning groups through TEPPC. TEPPC provides for the development and maintenance of an economic planning study database for the entire Western Interconnection and performs annual congestion studies in the Western Interconnection. The NV Energy, Inc. Operating Companies' participation in a regional planning process is undertaken through WestConnect as further described in Part III of this Attachment K.

regional transmission planning under the principles set for in Order No. 890 and carried forward in FERC's Transmission Planning and Cost Allocation by Transmission Owning and Operating Utilities, 136 FERC ¶ 61,051 (2011), *et al.* (Order No. 1000).

2. The NV Energy Inc. Operating Companies note that prior to October 11, 2012, the term "Subregional" was used to refer to regional planning, as such term is defined under FERC's Order No. 1000. Following the effective date of the NV Energy Inc. Operating Companies' Order No. 1000 compliance filing, the NV Energy, Inc. Operating Companies shall use the term regional planning in the same manner used in FERC's Order No. 1000.

II. NV ENERGY, INC. OPERATING COMPANIES' LOCAL TRANSMISSION PLANNING

A. NV Energy Companies' Local Transmission Planning Process

Participation in the NV Energy, Inc. Operating Companies' local transmission planning process is open to all affected parties, including, but not limited to, all transmission and interconnection customers, sponsors of transmission solutions, generation solutions, and solutions utilizing demand response resources, state authorities, and other stakeholders.

1. Confidential or Proprietary Information

Where appropriate, the NV Energy, Inc. Operating Companies' local transmission planning studies may include base case data that is WECC proprietary data, data that is classified as Critical Energy Infrastructure Information (CEII) by the Federal Energy Regulatory Commission (FERC), confidential customer specific information, or other information that may be deemed to be confidential.

A stakeholder must hold membership in and/or execute a non-disclosure agreement with WECC in order to have access base case data from WECC, or its successor entity. As appropriate, a stakeholder may obtain local transmission planning information classified as CEII from the NV Energy, Inc. Operating Companies, or other confidential information, upon execution of an appropriate non-disclosure agreement with NPC or SPPC, as necessary.

2. Types of Planning Studies

- a. Transmission Planning Studies. NV Energy, Inc. Operating Companies will conduct local reliability planning studies to ensure that all network transmission customers' and NV Energy, Inc. Operating Companies' retail customers' requirements for planned loads and resources, including demand response resources, or other non-transmission alternatives (as approved by the Public Utilities Commission of Nevada or other appropriate governmental authority) are met for each year of the ten year planning horizon, and that all North American Electric Reliability Corporation (NERC), WECC, and local reliability standards are met. These reliability planning studies will be coordinated with the appropriate Balancing Authorities in accordance with NERC and WECC standards and with appropriate subregional transmission planning organizations (SWAT or SSPG).
- b. Economic Planning Studies. Economic planning studies are performed when undertaken as specified in Section II.A.4 to identify significant and recurring congestion on the transmission system and/or address the integration of new resources and loads. Such studies may analyze any, or all, of the following: (i) the location and magnitude of the congestion; (ii) possible remedies for the elimination of the congestion, in whole or in part, including transmission solutions, generation solutions, and solutions utilizing demand response resources; (iii) the associated costs of congestion; (iv) the costs associated with relieving congestion through system enhancements (or other means); and, as appropriate; (v) the economic impacts of integrating new resources and loads.

NV Energy, Inc. Operating Companies will perform, or cause to be performed, economic planning studies at the request of a transmission customer or stakeholder. Costs for such studies shall be as set forth in Section II.A.4 of this Attachment K. Economic planning studies performed, either by NV Energy, Inc. Operating Companies will utilize the TEPPC public data base.

3. NV Energy, Inc. Operating Companies' Local Transmission Planning Study Process

a. Transmission Plan Needs Assessment. The NV Energy, Inc. Operating Companies' local transmission planning process consists of an assessment of the following needs:

- i. Provision of adequate transmission to access sufficient resources in order to reliably and economically serve retail and network loads and satisfy public policy requirements mandated by federal or state legislation or regulation.
- ii. Where feasible, identify alternatives such as demand response resources, or other non-transmission alternatives as approved by the Public Utilities Commission of Nevada or other appropriate governmental authority, that could meet or mitigate the need for transmission additions or upgrades.
- iii. Support of the NV Energy, Inc. Operating Companies' local transmission and sub-transmission systems.
- iv. Provision for the interconnection of new generation resources.
- v. Reflect the impact of any demand response resources.
- vi. Coordinate new interconnections with other transmission systems.
- vii. Accommodate requests for long-term transmission access.

b. NV Energy, Inc. Operating Companies' Local Transmission Planning Cycle

- i. Planning Cycle. Each of the NV Energy, Inc. Operating Companies conducts local transmission planning on a three year cycle for a twenty year planning horizon in accordance with the Twenty Year "Integrated Resource Plan" Process described in (3.b.ii) below.
- ii. Triennial Twenty Year Plan. Each of the NV Energy, Inc. Operating Companies updates its local twenty year plan every three years and amends the plan as necessary during the intervening period. The Integrated Resource Plan (IRP) is filed with the Public Utilities Commission of Nevada (PUCN). The NPC and SPPC resource plans and amendments are available on the PUCN web site (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).
- iii. The NV Energy, Inc. Operating Companies work with and provide data to the Nevada State Office of Energy (NSOE) which publishes an annual report called the "Status of Energy in Nevada".³ This report is available on NSOE

3. The NSOE's annual "Status of Energy in Nevada" process evaluates the transmission providers' filed twenty

web site (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).

c. Transmission Customer's Responsibility for Providing Data

- i. Use of Customer Data. The NV Energy, Inc. Operating Companies use information provided by their transmission customers to, among other things, assess network load and resource projections (including demand response resources), transmission needs, operating dates and retirements for generation resources on the Operating Companies' Transmission Systems, and to update regional models used to conduct planning studies.
- ii. Submission of Data by Network Transmission Customers. As required pursuant to the NV Energy, Inc. Operating Companies' OATT, network transmission customers shall supply information on their ten year projected network load and network resources (including demand response resources) to either NPC or SPPC, as applicable, on an annual basis. This information *must* be submitted electronically by network transmission customers to the NV Energy, Inc. Operating Companies contact person as identified on the SPPC and NPC OASIS web sites (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>) by September 1 each year.
- iii. Submission of Data by Other Customers. To maximize the effectiveness of the NV Energy, Inc. Operating Companies' local planning process, it is essential that all other customers provide their ten year needs in the form of relevant data for inclusion in the NV Energy, Inc. Operating Companies transmission planning process. This information must be submitted electronically by transmission customers to the NV Energy, Inc. Operating Companies contact person as identified on the SPPC and NPC OASIS web sites (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>) by September 1 each year in order to be included in the planning process for the transmission plan that NV Energy, Inc. Operating Companies submit to the PUCN.
- iv. Types of Transmission Customer Data. To the maximum extent practical and consistent with protection of proprietary information, data submitted by Network Transmission Customers and other Transmission Customers should include for the ten year planning horizon:
 - (a) Generators - planned additions or upgrades (including status and expected in-service dates), planned retirements and environmental restrictions.
 - (b) Demand response resources - existing and planned demand resources and their impacts on demand and peak demand.

year plans, changes in system from the previous year, and other study reports on an annual basis.

- (c) Network Customers - forecast information for load and resource requirements over the planning horizon and identification of demand response reductions.
 - (d) Point-to-Point Transmission Customers - projections of need for service over the planning horizon, including transmission capacity, duration, and receipt and delivery points.
- v. Notification of Material Changes to Transmission Customer Data. Each transmission customer is responsible for timely submittal of written notice to the NV Energy, Inc. Operating Companies of material changes in any of the information previously provided to NV Energy, Inc. Operating Companies related to the transmission customer's load, resources (including demand response resources), or other aspects of its facilities or operations which may, directly or indirectly, affect the NV Energy, Inc. Operating Companies' ability to provide service.
- d. Stakeholder Participation in NV Energy, Inc. Operating Companies' Local Transmission Planning Study Process
- i. In its 2nd Quarter public planning meeting, NV Energy, Inc. Operating Companies will (a) review its current local transmission study plan with transmission customers and stakeholders; (b) provide an opportunity for transmission customers to update the loads, resources (including demand response resources), and other data submitted by September 1 of the prior year (see Section II.A.3.c); (c) provide an opportunity for stakeholder input on any aspect of its transmission study plan; (d) review any stakeholder proposals previously submitted to NV Energy, Inc. Operating Companies for study plan alternatives; (e) provide an opportunity for the submittal of additional stakeholder study plan proposals for review and discussion; and (f) provide updates on NV Energy, Inc. Operating Companies' planned transmission projects.
 - ii. In its 4th Quarter public planning meeting, NV Energy, Inc. Operating Companies will present a draft of its Ten Year Transmission Plan for the following calendar year for stakeholder review and comments.
 - iii. This schedule may be modified to coordinate with subregional and regional transmission planning processes, subject to updated postings on the NV Energy, Inc. Operating Companies' OASIS websites.
- e. Coordination of the NV Energy, Inc. Operating Companies' Study Cycle with SWAT and SSPG Study Cycles. The NV Energy, Inc. Operating Companies will coordinate the timing of its local transmission planning study cycle with the development of the assumptions, coordinated base cases and power flow cases performed with the SWAT and SSPG planning groups, which is open to participation by all interested parties.
- f. NV Energy, Inc. Operating Companies' Point of Contact for Questions on the NV Energy, Inc. Operating Companies' Local Transmission Planning Study Process. The NV Energy, Inc. Operating Companies will identify a Point of Contact on its

OASIS to respond to transmission customer and stakeholder questions regarding transmission planning modeling, criteria, assumptions and data underlying system plans (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).

- g. NV Energy, Inc. Operating Companies' Local Transmission Planning Study Criteria and Guidelines. Transmission customers and stakeholders should refer to the NV Energy, Inc. Operating Companies' Local Transmission Planning Process and Guidelines for the NV Energy, Inc. Operating Companies' transmission planning criteria, guidelines, assumptions and data. The Planning Guidelines are posted on the NVE OASIS (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).
4. Local Economic Planning Study Requests
- a. Requesting Local Economic Planning Studies. Any of the NV Energy, Inc. Operating Companies' customers or other stakeholder ("Requester"), including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, may submit a study request for a local economic planning study directly to the NV Energy, Inc. Operating Companies. The Requester must submit its study request(s) no later than September 30 of each year if it wishes the NV Energy, Inc. Operating Companies to review the study request(s) with stakeholders at its 4th Quarter open public planning meeting. The NV Energy, Inc. Operating Companies require that study request(s) be submitted electronically to Transmission_Planning@nvenergy.com.
 - i. Factors Used to Determine Whether a Local Economic Planning Study Request is a Priority Request. The NV Energy, Inc. Operating Companies shall consider the following criteria to determine whether a local economic planning study request is a Priority Request:
 - (a) What portion of the NV Energy, Inc. Operating Companies' local transmission system will be under consideration in the study?
 - (b) Does the request raise fundamental design issues of interest to multiple parties?
 - (c) Does the request raise policy issues of national, regional or state interest, e.g., with respect to access to renewable power, and location of both conventional and renewable resources?
 - (d) Can the objectives of the study be met by other studies?
 - (e) Will the study provide information of broad value to customers, regulators, transmission providers and other interested stakeholders?
 - (f) Can similar requests for studies or scenarios be represented generically if the projects are generally electrically equivalent?

- (g) Can requests be aggregated into energy or load aggregation zones with generic transmission expansion between?
 - (h) Does the study request require the use of production cost simulation or can it be better addressed through technical studies, i.e., power flow and stability analysis?
 - ii. Economic Transmission Planning Study Requests Determined to be a Local Priority
 - (a) If the NV Energy, Inc. Operating Companies determine that the study request is a local priority request, the NV Energy, Inc. Operating Companies will conduct the study and coordinate assumptions and results with its customers, stakeholders and interconnected neighbors as appropriate. The NV Energy, Inc. Operating Companies will have no obligation to conduct and pay for more than three priority local economic planning studies per calendar year. Each study request will be evaluated in the order in which it is received to determine if it meets the criteria for a priority local economic planning study.
 - (b) If the NV Energy, Inc. Operating Companies receive more than three requests for local economic studies that are determined to be priority local requests in the calendar year, it may perform one or more additional studies at its sole discretion. If the NV Energy, Inc. Operating Companies elect not to perform such an additional study, the Requester may request, and the NV Energy, Inc. Operating Companies will provide, assistance in having a third party perform the local economic planning study at the Requester's expense.
 - iii. Non Priority Local Economic Study Requests. If the NV Energy, Inc. Operating Companies, after reviewing through an open stakeholder process, that the requested local economic planning study is not a priority study, the Requester may request the NV Energy, Inc. Operating Companies' assistance in having a third party perform the economic planning analysis at the Requester's expense.
- b. Clustering Local Priority Economic Planning Studies. The NV Energy, Inc. Operating Companies may determine that any number of Requesters' economic planning study requests should be studied together, or a Requester may request that the NV Energy, Inc. Operating Companies study its request together with other requests. The NV Energy, Inc. Operating Companies will combine such studies as they deem appropriate.
 - i. Proposed Clusters. In the event that the NV Energy, Inc. Operating Companies propose to cluster certain studies, they shall provide notice to each Requester to be included in the cluster study. Each Requester shall be provided the opportunity to opt out of the cluster within ten (10) days of notice from the NV Energy, Inc. Operating Companies. If a Requester opts out of a proposed cluster, the Requester will be responsible for all

study costs and such study will be treated as a normal non-clustered project in the order in which it was requested.

- ii. Requester-Proposed Clusters. If a Requester wishes to propose a cluster study, prior to submitting an economic planning study cluster request to the NV Energy, Inc. Operating Companies, the Requester must contact all of the other Requesters whose requests it proposes to cluster and obtain their written consent that they are willing to have their request clustered with other identified requests. The NV Energy Inc., Operating Companies will reasonably determine whether the economic planning study requests that the Requester proposes to cluster and for which the other affected Requesters have provided consent, are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied together. The NV Energy, Inc. Operating Companies reserves the right to reject a customer-proposed cluster on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster cannot be feasibly studied as a group, is not likely to provide a result significantly different than separate studies or if the proposed clustering impairs administration or timely processing of the economic study process. The Transmission Provider will make the determination whether to reject a proposed cluster, and provide notice of any decision to reject, within twenty (20) days of receipt of all of the written consents of the Requesters that propose to be clustered.

If study requests are combined, the study costs will be allocated equally among the combined Requesters.

- c. Process for Handling Economic Transmission Planning Study Requests by the NV Energy, Inc. Operating Companies. If an economic planning study request is not a local economic study request, *i.e.*, is either regional or interregional, the NV Energy Inc. Operating Companies shall forward the request to WestConnect or TEPPC, as appropriate. The criteria TEPPC utilizes to prioritize requests for regional economic studies are posted on the TEPPC page of the WECC website.
- d. Cost Responsibility for Local Economic Planning Studies
 - i. Priority Local Economic Planning Studies. Priority local economic planning studies selected pursuant to Section II.A.4., including clustered priority local economic planning studies selected pursuant to Section II.A.4., will be performed or caused to be performed by the NV Energy, Inc. Operating Companies at the NV Energy, Inc. Operating Companies' expense, and will recover the costs of such studies through its transmission rates.
 - ii. Priority Regional Economic Planning Studies. Regional economic studies will be performed by WestConnect as discussed in Part III of this Attachment K.

- iii. Other Local Economic Study Requests. Local economic study requests not selected pursuant to Sections II.A.4. may be performed at the Requester's expense. The NV Energy, Inc. Operating Companies, at their discretion, may perform the study work, but undertake no obligation to do so, or work with the Requester and its third party contractor as specified by the Requester.
- iv. If not a Local Economic Priority Study, the NV Energy, Inc. Operating Companies will assign the cost of producing the clustered economic planning study, including any third-party study work required by the NV Energy, Inc. Operating Companies, on an equal basis to each Requester participating in that study.
- g. Exchange of Data Unique to Economic Planning Studies
 - i. The NV Energy, Inc. Operating Companies obtain data used for economic planning studies from the TEPPC data base.
 - ii. Requester's request for detailed base case data must be submitted to WECC, or its successor organization, in accordance with its procedures.
 - iii. Requester's request for economic planning studies and responses to such requests shall be posted on the SPPC / NPC (as applicable) OASIS (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>) subject to confidentiality requirements.
- h. NV Energy, Inc. Operating Companies Point of Contact for Study Requests. The NV Energy, Inc. Operating Companies have identified a contract person on the SPPC and NPC OASIS web sites to respond to Requester questions regarding modeling, criteria, assumptions, and data underlying transmission system plans. (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).

B. NV Energy, Inc. Operating Companies Stakeholder/Open Public Meeting Process for Local Transmission Planning

The NV Energy, Inc. Operating Companies will hold at least two open public local transmission planning meetings a year that will allow and promote customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, interconnected neighbors, regulatory and state bodies and other stakeholders to participate in a coordinated, nondiscriminatory process for development of the NV Energy, Inc. Operating Companies transmission plans. One of the two meetings will be held during the 4th Quarter and the NV Energy, Inc. Operating Companies, along with customers and stakeholders will review the economic study requests that were submitted by September 30th of that year.

1. Purpose and Scope

These public meetings will provide an open transparent forum whereby electric transmission stakeholders can comment and provide advice to the NV Energy, Inc. Operating Companies during all stages, including the early stages, of their transmission planning. These public transmission planning meetings will serve to:

- a. Provide a forum for open and transparent communications among the state's transmission providers, state regulatory authorities, customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other interested stakeholders;
- b. Promote discussion of all aspects of the NV Energy, Inc. Operating Companies transmission planning activities, including, but not limited to, methodology, study inputs and study results; and
- c. Provide a forum for the NV Energy, Inc. Operating Companies to understand better the specific electric transmission interests of key stakeholders.

2. The NV Energy, Inc. Operating Companies Public Planning Meeting Process

- a. Open Stakeholder Meetings. All public transmission planning meetings will be open to all stakeholders.
- b. The NV Energy, Inc. Operating Companies Planning Meeting Schedule. The NV Energy, Inc. Operating Companies will establish their public planning meeting schedule as needed, but no less than twice annually.
- c. Meeting Purpose. Meetings will be conducted to (i) allow the NV Energy, Inc. Operating Companies to maximize their understanding of their customers' forecasted needs for the NV Energy, Inc. Operating Companies transmission systems; (ii) offer transmission customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders an opportunity to be informed about, offer input and advice into, the NV Energy, Inc. Operating Companies transmission systems and planning process, as well as to propose alternatives for any upgrades identified by the NV Energy, Inc. Operating Companies; (iii) review study results; and (iv) review transmission plans.
- d. Coordination with subregional groups. Through past experience, the NV Energy, Inc. Operating Companies anticipate that much of their local transmission planning process will be conducted and coordinated through the SWAT or SSPG subregional planning groups. The NV Energy, Inc. Operating Companies will schedule public meetings to coordinate with the SWAT quarterly planning schedule, which is described in more detail below.
- e. Posting of Meeting Notices. Meeting Notices, including date, time, place and meeting agenda will be posted on the NPC / SPPC OASIS web sites (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>), at least two weeks prior to the meeting. The

NV Energy, Inc. Operating Companies will establish their public planning meeting schedule as needed, but no less than twice annually.

- f. Meeting Agendas. The agendas for the NV Energy, Inc. Operating Companies' public planning meetings will be sufficiently detailed, posted on the NPC /SPPC OASIS web sites (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>), and circulated to its distribution list in advance of the meetings in order to allow customers and stakeholders the ability to choose their meeting attendance most efficiently.
- g. The NV Energy, Inc. Operating Companies Distribution List. All existing NV Energy, Inc. Operating Companies' Network and Point-to-Point Transmission Customers and Interconnection Customers will be included on the NV Energy, Inc. Operating Companies' distribution list and notified via email of all upcoming public meetings. Any other stakeholder wanting to be included on the NV Energy, Inc. Operating Companies' email distribution list should contact the NV Energy, Inc. Operating Companies contact person as identified on the SPPC and NPC OASIS web sites (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>). It is the responsibility of the customers and stakeholders to provide the NV Energy, Inc. Operating Companies with current contact information, including email addresses.
- h. Electronic Input and Comments. Stakeholders are encouraged to provide input, comments, advice and questions into the process at any time via the NV Energy, Inc. Operating Companies contact person as identified on the SPPC and NPC OASIS web sites (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).
- i. Local Public Planning Meeting Schedule.
 - i. At the 2nd Quarter public planning meetings, the NV Energy, Inc. Operating Companies will review information on loads, resources (including demand response resources), and other needs from its transmission customers, together with specific requests submitted either prior to or during the NVE 2nd Quarter meeting (see Section II.A.3.d.i) for inclusion in NVE's draft transmission study plan. The NV Energy, Inc. Operating Companies may solicit information on load resources and other needs from customers and stakeholders for the preparation of the draft study plan.
 - ii. At the 4th Quarter public planning meetings, the NV Energy, Inc. Operating Companies will review economic planning study requests received by September 30 (see Section II.A.4.a) and present a draft of its Ten Year Transmission Plan for stakeholder review and comment.
 - iii. This schedule may be modified to coordinate with the subregional and regional transmission planning processes, subject to updated postings on the NV Energy, Inc. Operating Companies OASIS (see the Attachment K

Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).

- j. Posting of Meeting Documents. The NV Energy, Inc. Operating Companies will post all meeting-related notes, documents and draft or final reports on the SPPC and NPC OASIS web sites (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).
- k. Posting of Public Documents. Public information will be posted on the SPPC and NPC OASIS websites.

C. Ten or Twenty Year Transmission System Plan

Each year the NV Energy, Inc. Operating Companies use the planning process described in Section II. A above to complete an informal update of their local transmission plan (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>). Every three years the planning process will be used to develop the Integrated Resource Plan (IRP) filing with the PUCN. The Ten or Twenty Year Transmission System Plan identifies all new transmission facilities, 115 kV and above (as applicable), and all facility replacements and/or upgrades required over the next ten or twenty years to reliably and economically meet customers' needs. The primary focus of the plan is a three year action plan which covers the next three years in detail.

D. Coordination of Reliability Planning with the Western Electricity Coordinating Council (WECC), or its successor organization

As a member of WECC, the NV Energy, Inc. Operating Companies participates in the WECC transmission planning process and coordinates with WECC with respect to reliability planning.

1. WECC Coordination Of Reliability Planning
 - a. WECC develops the Western Interconnection-wide data bases for transmission planning analysis such as power flow, stability and dynamic voltage stability studies.
 - b. WECC also maintains a data base for reporting the status of all planned projects throughout the Western Interconnection.
 - c. WECC provides for coordination of planned projects through its Procedures for Regional Planning project review.
 - d. WECC's path rating process ensures that a new project will have no, or mitigate, adverse reliability effect on existing projects.

E. Cost Allocation For New Projects

1. The NV Energy, Inc. Operating Companies will utilize a case-by-case approach to allocate costs for new transmission projects. This approach will be based on the following principles:

i. Solicitation of Interest

The NV Energy Operating Companies may elect to conduct a solicitation of interest for certain projects. Upon a determination by the NV Energy Operating Company to hold a solicitation of interest for a transmission project, the NV Energy Operating Company will:

- a. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
- b. Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.
- c. Post information via WECC's planning project review reports.
- d. Develop the initial transmission project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements, subject to FERC approval.

ii. Allocation of Costs

a. Proportional Allocation

For any project entered into pursuant to a solicitation process, project costs and associated transmission rights will generally be allocated proportionally to project participants subject to a negotiated participation agreement. In the event the process results in a single participant, the full cost and transmission rights will be allocated to that participant.

b. Economic Benefits or Congestion Relief

For any project wholly within the NV Energy, Inc. Operating Companies' local system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.

c. NV Energy, Inc. Operating Companies' Rate Recovery

Notwithstanding the foregoing provisions, the NV Energy, Inc. Operating Companies will not assume cost responsibility for any project if the cost of the project is not approved for recovery in its retail and/or wholesale rates.

iii. Exclusions

The cost for projects undertaken in connection with requests for generator interconnection or transmission service on the NV Energy, Inc., Operating Companies' systems are governed by the NV Energy, Inc., Operating Companies' OATT and will not be subject to the provision of this Attachment K.

III. WESTCONNECT ORDER NO. 1000 REGIONAL TRANSMISSION PLANNING PROCESS

A. Overview

The NV Energy, Inc. Operating Companies participate in the WestConnect regional transmission planning process (“Regional Planning Process”) established to address the transmission planning principles set forth in Order No. 890 and carried forward in FERC’s Transmission Planning and Cost Allocation by Transmission Owning and Operating Utilities, 136 FERC ¶ 61,051 (2011), *et al.* (Order No. 1000).

The role of WestConnect’s Order No. 1000 Regional Planning Process is to produce a regional transmission plan (“Regional Plan”) and provide a process for evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment K and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual (“WestConnect Business Practice Manual”), as may be amended from time to time, available on the WestConnect website.

The NV Energy, Inc. Operating Companies are currently parties to the WestConnect Subregional Transmission Planning Project Agreement (“WestConnect STP Project Agreement”) (see the [Attachment K Hyperlinks List](#) in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>) and are actively engaged in the SWAT and SSPG planning groups. The WestConnect Planning Region is defined by the interconnected transmission owners and providers enrolled in the WestConnect Regional Planning Process. The service areas of the transmission owners and providers consist of all or portions of nine states: Arizona, California, Colorado, Nebraska, New Mexico, Nevada, South Dakota, Texas, and Wyoming.

Following the last effective date of the NV Energy Inc. Operating Companies’ Order No. 1000 compliance filing, the WestConnect members shall terminate or supercede the WestConnect STP Project Agreement and will establish a WestConnect Order No. 1000 regional transmission planning management committee (“Planning Management Committee”). The Planning Management Committee will be responsible for administering the WestConnect Regional Planning Process.

In conjunction with the termination of the WestConnect STP Agreement, the WestConnect members, in consultation with interested stakeholders, will establish a separate project agreement (the “Planning Participation Agreement”) to permit interested stakeholders to participate in the WestConnect Order 1000 regional transmission planning process. Although, the WestConnect Regional Planning Process is open to the public, any participant/stakeholder interested in having a voting right in decisions related to the Regional Planning Process will be required to execute the Planning Participation Agreement and any necessary confidentiality agreements. The Planning Management Committee will implement a stakeholder developed Regional Planning Process, which will result in a Regional Plan for the ten-year transmission planning horizon.

1. WestConnect Planning Participation Agreement

Each WestConnect party will be a signatory to the Planning Participation Agreement, which formalizes the parties' relationships and establishes obligations among the signatory transmission providers to coordinate regional transmission planning among the WestConnect participants and the local transmission planning processes, and produce a Regional Plan. The Planning Participation Agreement is also open for participation by other non-WestConnect transmission providers that participate in the Regional Planning Process.

2. Enrollment

WestConnect has two types of members: (i) Transmission Owners that join the WestConnect Planning Region in order to comply with Order 1000 planning requirements and (ii) stakeholders who wish to have voting input in to the methodologies, studies, and decisions made in the execution of those requirements.

a. Joining the WestConnect Planning Region

A Transmission Owner with a Load Serving Obligation that wishes to join the WestConnect Planning Region may do so by executing the Planning Participation Agreement and paying its share of costs as provided for in the Planning Participation Agreement.

A Stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement and paying annual dues as outlined therein.

b. Exiting the WestConnect Planning Region

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

Should a Stakeholder wish to exit the WestConnect Planning Region, it may do so by providing notice in accordance with the Planning Participation Agreement. Withdrawing Stakeholders will forfeit any monies or dues paid to the Planning Management Committee and agree to remit to the Planning Management Committee any outstanding monies owed to WestConnect prior to their withdrawal being considered official.

To the extent a WestConnect Planning Region member is allocated costs through a voluntary cost-sharing arrangement to support a Planning Management Committee-approved regional project, following its exit from the WestConnect Planning Region that member will remain responsible for its portion of those project costs in accordance with the terms of the relevant voluntary cost-sharing arrangement for that project.

c. List of Enrolled Entities

A list of entities enrolled in the Regional Planning Process is maintained on the WestConnect website and included in the WestConnect Business Practice Manual.

B. WestConnect Objectives and Procedures for Order No. 1000 Regional Transmission Planning

The Regional Planning Process will produce a regional transmission plan that complies with existing Order No. 890 principles and carried forward in FERC's Order No. 1000:

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

Pursuant to the WestConnect Objectives and Procedures for Regional Transmission Planning, the NV Energy, Inc. Operating Companies, along with the other Planning Participation Agreement signatories, will work through the regional planning group processes, as applicable, to integrate their transmission plans into a single ten year regional transmission plan for the WestConnect footprint by:

- a. Actively coordinating development of the regional transmission plan, including incorporating information, as appropriate, from all stakeholders;
- b. Coordinating, developing and updating common base cases to be used for all study efforts within the Regional Planning Process and ensuring that each plan adheres to the methodology and format developed for the Regional Plan;
- c. Providing funding for the Regional Planning Process and all planning management functions pursuant to the Planning Participation Agreement;
- d. Maintaining a regional planning section on the WestConnect website where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted; and
- e. Posting detailed notices of all regional and local planning meeting agendas on the WestConnect website.

C. Cost Allocation Methodology in WestConnect Order No. 1000 Regional Transmission Planning Process

In compliance with the requirements of FERC Order 1000 WestConnect has established a cost allocation process for regional transmission projects selected in the WestConnect regional planning process for cost allocation. Allocation of project costs shall be based on the benefits received in accordance with the following cost allocation principles:

- Cost assignments must be commensurate with estimated benefits;
- Those that receive no benefits must not be involuntary assigned costs;
- Should a benefit to cost threshold be used it cannot be so high that projects with significant benefits are excluded. (Cannot be above 1.25 without FERC approval);
- Costs must be allocated solely within the region unless other voluntarily assumes costs;
- Cost allocation method and data must be transparent and with adequate documentation;
- May use different cost allocation methods for different types of projects.

D. Roles in the Regional Transmission Planning Process

1. WestConnect Role

WestConnect is responsible for bringing regional transmission planning information together and sharing updates on active projects. WestConnect provides an open forum where any Stakeholder interested in the planning of the regional transmission system in the WestConnect footprint can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. On a biennial basis and in coordination with its members, Transmission Owners, and other interested stakeholders, WestConnect shall develop the WestConnect Regional Transmission Plan.

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

2. Stakeholder Participation and Assistance

Stakeholders may participate in the Regional Planning Process by any one or more of the following ways: (a) joining one of five WestConnect regional transmission planning membership sectors described below; (b) by attending publicly-posted WestConnect regional transmission planning Stakeholder meetings; and/or (c) by submitting project proposals for consideration and evaluation in the Regional Planning Process. Attendance at meetings is voluntary and open to all interested Stakeholders. These meetings will include discussion of models, study criteria and assumptions, and progress updates. Formal participation, including voting as allowed by the process, can be achieved through payment of applicable fees and annual dues in accordance with the Planning Participation Agreement. Transmission Owners with a Load Serving Obligation will not be responsible for annual dues because Transmission Owners with a Load Serving Obligation will be the default source of monies to support WestConnect activities beyond dues paid by other organizations.

WestConnect members shall assist Stakeholders interested in becoming involved in the Regional Planning Process by directing them to appropriate contact persons and websites. (See the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>). All Stakeholders are encouraged to bring their plans for future generators, loads or transmission services to the WestConnect planning meetings. Each transmission planning cycle shall contain a period during which project ideas are accepted for potential inclusion in that cycle's Regional Plan.

3. Forum for Evaluation

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

4. Stakeholder Meetings

WestConnect shall hold open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the Planning Management Committee with 30 days advance notice to update

Stakeholders about its progress in developing the WestConnect regional transmission plan and to solicit input regarding material matters of process related to the Regional Plan. Notice for such meetings shall be posted on the WestConnect website and via email to the WestConnect Regional Planning Process email distribution list.⁴

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

5. WestConnect Regional Planning Process Governance

a. Membership Sectors

The Regional Planning Process shall be governed by the Planning Management Committee, which shall be tasked with executing the WestConnect regional transmission planning process and shall have authority for approving the regional transmission plan. The Planning Management Committee shall be comprised of five stakeholder sectors

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

Except for members qualified to join the Transmission Owners with Load Serving Obligation sector, any entity may join any membership sector for which it qualifies but may only participate in one membership sector. Qualified transmission owners may only join the Transmission Owners with Load Serving Obligations membership sector.

b. Planning Management Committee

The Planning Management Committee shall be empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities. All actions of the Planning Management Committee (including approval of the Regional Plan) shall be made possible by satisfying either of the following requirements:

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

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

Consistent with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder's project to qualify for a project submittal for purposes of cost allocation. The data necessary for any

4. The WestConnect website is located at <http://www.westconnect.com>.

project submitted shall be listed in the WestConnect Transmission Planning Business Practice Manual.

1. Transmission Customers

Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect member's local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the WestConnect process to submit data directly to the WestConnect stakeholder process. This data may include, but is not limited to load forecasts, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

Adequate advance notice shall be given for customers to submit any required data and data submissions shall generally be able to be made via email or by posting information to a designated website.

2. Independent Transmission Developers and Owners

Transmission Developers are entities with project ideas they wish to submit into the Regional Planning Process. These may include projects that the developer wishes to be considered for regional cost allocation.

Each regional transmission planning cycle shall include a submission period for project ideas as described below. Notice of the submission period shall be posted on the WestConnect website and shall also be made via email to WestConnect stakeholders. The submission period shall last for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the regional planning process may do so.

3. Merchant Transmission Developers

Merchant Transmission Developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation purposes. Nonetheless, coordination between merchant projects and the regional transmission planning process is necessary to effect a coordinated regional transmission plan that considers all system needs.

Each regional transmission planning cycle shall include a submission period for project ideas as described below. Notice of the submission period shall be posted on the WestConnect website and shall also be made via email to WestConnect stakeholders. The submission period shall last for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect transmission system shall be asked to provide certain project information.

The data required of merchant transmission developers shall be listed in the WestConnect Transmission Planning Business Practice Manual.

4. Transmission Owners with Load Serving Obligation

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

At the beginning of each regional transmission planning cycle, Transmission Owners that are participating in the Regional Planning Process shall be responsible for verifying the accuracy of any data (including, but not limited to system topology and project proposal information) they have previously submitted. Transmission Owners shall also be required to submit all relevant

data for any new projects being proposed for inclusion in the regional transmission plan for purposes of cost allocation in accordance with the Section below. Transmission Owners shall also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the WestConnect Regional Transmission Plan models, but such submittals shall not constitute an obligation or proposal to build, but shall be submitted for informational and studying purposes only.

5. Transmission Project Submittals Seeking Cost Allocation

The following criteria must be satisfied in order for a project submittal to be evaluated for purposes of cost allocation under the Regional Planning Process:

- Submitting entity contact information
- Explanation of how the project is a more efficient or cost effective solution to regional transmission needs
- A detailed project description including, but not limited to, the following:
 - Scope
 - Points of interconnection to existing (or planned) system
 - Operating Voltage and Alternating Current or Direct Current status
 - Circuit Configuration (Single, Double, Double-Circuit capable, etc.)
 - Impedance Information
 - Approximate circuit mileage
- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost
- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- If seeking cost allocation through WestConnect, a \$25,000 fee to support the cost of relevant study work
- Comparison Risk Score from WECC Environmental Data Task Force, if available

An open submission period for project proposals to address identified regional needs will be conducted during the fourth calendar quarter of the regional transmission planning cycle. Notice of the submission period will be posted on the WestConnect website and will also be made via email to WestConnect Stakeholders. The submission period will last for no less than thirty (30) days. Proposals submitted outside that window will not be considered. The Planning Management Committee will have the authority to determine the completeness of a project submittal. Project submittals deemed incomplete will be granted a reasonable opportunity to cure any deficiencies identified in writing by the Planning Management Committee.

Any Stakeholder wishing to present a project idea shall be required to submit the data listed above for the project to be considered in the Regional Planning Process. Should the submitting

Stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. The Planning Management Committee retains the sole authority for determining completeness of the information submittal. After the completion of the project submittal period, WestConnect will post a document on the WestConnect website detailing why any projects were rejected as incomplete. Upon posting of the document, any project submittal rejected as incomplete will be given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of the Planning Management Committee in its sole discretion.

6. Submission of Non-Transmission Alternative Projects

Any Stakeholder may submit projects proposing non-transmission alternatives for evaluation under the Regional Planning Process. The following criteria must be satisfied in order for a non-transmission alternative project submittal to be evaluated under the Regional Planning Process:

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

As with entities submitting a transmission project, those who submit a non-transmission alternative under the Regional Planning Process must adhere to and provide the same or equivalent information and the same submittal fees as transmission alternatives, as described above. Although non-transmission alternative projects will be considered, they are not eligible for regional cost allocation.

7. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. WestConnect will develop and publish a Regional Plan every other year, with the first Regional Plan to be produced no earlier than two calendar years (and no later than three calendar years) following final Commission action on the Order No. 1000 compliance filings of all jurisdictional public utility Transmission Owners who formally enroll in the WestConnect Planning Region

F. Overview of Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs and more efficient or cost-effective solutions to satisfy those needs. Consistent with Order No. 890, qualified projects timely submitted through the Regional Planning Process will be evaluated and selected from competing solutions and resources such that all types of resources, as described below, are considered on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder proposing them.

G. WestConnect Reliability Planning Process

All WestConnect Transmission Owners with Load Serving Obligation shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans will be included in the Regional Plan base case system models. The base case system models will then be checked for adherence to the relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria as outlined in the Business Practice Manual.

The Regional Plan will identify projects to resolve any remaining violations of relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria. In addition, an opportunity will be afforded any interested party to propose regional reliability projects that replace components of multiple Transmission Owners' local transmission plans, provided they are found to be more efficient or cost effective to other proposed solutions. The Regional Planning Process will then identify the most appropriate transmission project, taking into account factors such as project feasibility, how long the project would take to complete and the timing of the need. Because local Transmission Owners are ultimately responsible for compliance with NERC Reliability Standards, the Regional Planning Process will secure the approval of the local Transmission Owner before modifying their local transmission plan.

H. WestConnect Economic Planning Process

As part of the Regional Planning Process, WestConnect will analyze projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to the WestConnect Planning Region. WestConnect will analyze economic projects upon a WECC Board-approved recommendation to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that has subsequently been validated by WestConnect. Additional projects may also be proposed by WestConnect Stakeholders or developed through the Stakeholder process for evaluation of economic benefits.

The WestConnect economic planning process will analyze benefits via detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost and system congestion.

The WestConnect economic planning process will also consider the value of decreased reserve sharing requirements in its development of a plan that is more efficient or cost effective.

I. WestConnect Public Policy Planning Process

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

As part of the Regional Planning Process, WestConnect will analyze projects that have the potential to aid in meeting transmission needs driven by public policy requirements, as they may be established. During the initial stages of each regional transmission planning cycle, WestConnect Stakeholders will review enacted public policy requirements and determine which transmission needs will be included in the modeling for that cycle.

At a minimum, any transmission needs driven by enacted state or federal public policy requirements will be included in the transmission system models underlying the development of

the Regional Plan. Transmission needs driven by proposed public policy requirements may be evaluated in the scenario planning analysis if time and resources permit.

2. Procedures for Evaluating Solutions to Identified Transmission Needs

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

3. Posting of Public Policy Needs

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

J. Consideration of Non-Transmission Alternatives

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

K. Approval of the WestConnect Regional Plan

Upon completion of the studies and stakeholder input, the Planning Management Committee will vote to approve the Regional Transmission Plan. The Regional Plan will document why projects were either included or not included in the regional plan. Projects that meet system needs are incorporated into the Regional Plan.

L. Reevaluation of the WestConnect Regional Plan

The Planning Management Committee is responsible for determining, during each planning cycle, when and if projects are to be reevaluated. Any project that is reevaluated according to the criteria below may also be subject to modification of its status as a project selected for cost allocation, with any costs reallocated under Section N as if it were a new project. Projects subject to reevaluation include, but are not limited to:

- Projects that are delayed and fail to meet their submitted in-service date by more than 2 years;
- Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations;
- Projects with any change in participatory or cost allocation entities that result in a project that is not fully funded; and

- Projects with a change in the calculation of benefits or benefit/cost (B/C) ratio

Projects not subject to reevaluation include, but are not limited to, the following:

- Local or single system transmission projects that have been identified in individual transmission owners' transmission planning (TPL) assessments to mitigate reliability issues;
- Planned transmission system upgrades to existing facilities; and
- Projects that have been approved by WestConnect in previous planning cycles unless agreed upon by the beneficiaries identified in the approved project.

Projects meeting any of the following criteria prior to the last effective date of the WestConnect FERC-jurisdictional Transmission Owners' Order No. 1000 compliance filings will also not be subject to reevaluation under the Regional Planning Process:

- Projects that have received approval through local or state regulatory authorities or board approval;
- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of the last effective date of the FERC-jurisdictional Transmission Owners' Order No. 1000 compliance filings.

M. Confidential or Proprietary Information

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

N. Cost Allocation

The WestConnect Regional Transmission Planning Process adopts the cost allocation framework established below. This framework ensures that for projects located in the WestConnect Region, costs are allocated only to those that benefit. Specifically, the WestConnect Region shall consider the following projects eligible for cost allocation consideration as further described below based on specified criteria:

- (1) Reliability Projects;
- (2) Economic or Congestion Relief Projects; or
- (3) Public Policy Projects.

a. Local Transmission Projects

Local Transmission Projects are projects located within a Transmission Owner's retail distribution service territory or footprint unless such projects are submitted and selected in the Regional Plan for purposes of cost allocation. A Transmission Owner is not precluded from proposing Local Transmission Projects for inclusion in the Regional Plan for purposes of cost allocation in the Regional Planning Process. Otherwise, A Local Transmission Project that is not submitted and **or not** selected for inclusion in the Regional Plan is not eligible for cost allocation in the Regional Plan, and not subject to the provisions governing regional cost allocation set forth below.

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

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

b. Regional Allocation of Costs

For any project determined by the Planning Management Committee to be eligible for regional cost allocation, project costs and associated transmission rights will be allocated proportionally to those entities determined by the Planning Management Committee, as shown in the Regional Plan, to be beneficiaries of the project, subject to the beneficiaries' decision on whether and who agree to participate in such regional project.

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

- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits must not be involuntarily assigned costs.
- A benefit-to-cost threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded, as applicable.
- Costs must be allocated solely within the WestConnect Planning Region, unless other regions or entities outside the region voluntarily assume costs.
- Cost allocation method and data shall be transparent and with adequate documentation.
- Different cost allocation methods may be used for different types of projects.

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

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

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses, as specified herein, are eligible for cost allocation in the WestConnect Planning Region. The NV Energy Inc., Operating Companies encourage all interested Stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation assessment. Summary provisions are provided below:

1. Allocation of Costs for Reliability Projects

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

All components of a Transmission Owner's local transmission plan shall be included in the Regional Plan and shall be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis shall be performed on the collective plans to ensure the combined plans adhere to all relevant NERC TPL Reliability Standards and Stakeholders shall be afforded an opportunity to propose projects that replace components of multiple Transmission Owner local plans as outlined in Section III.D above.

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

Should multiple utilities have separate reliability issues that are addressed most efficiently by a single project and the utilities approve the change to their local plans, that project shall be approved and the cost shall be shared by those utilities in proportion to the cost of alternatives that could be pursued by the individual utility to resolve the reliability issue.

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

$$(A \text{ divided by } B) \text{ times } C \text{ equals } D$$

Where:

A is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant Transmission Owner's retail distribution service territory or footprint

B is the total cost of local reliability upgrades in the combination of Transmission Owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project

C is the total cost of the regional reliability project

D is the total cost allocated to the relevant Transmission Owner's retail distribution service territory or footprint

2. Allocation of Costs for Economic Projects

WestConnect shall establish a B/C ratio of 1.25 for a project to be considered economically-justified and receive cost allocation associated with economic projects. This B/C ratio shall be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures

that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

The WestConnect economic planning process shall consider production cost savings and reduction in reserve sharing requirements as economic benefits capable of contributing to the determination that a project is economically justified for cost allocation. Criteria for WestConnect's production cost simulations are contained in the Business Practice Manual.

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

$$(A \text{ divided by } B) \text{ times } C \text{ equals } D$$

Where:

A is the total projected present value of economic benefits for the relevant Transmission Owner's retail distribution service territory or footprint

B is the total projected present value of economic benefits for the entire project

C is the total cost of the economic project

D is the total cost allocated to the relevant Transmission Owner's retail distribution service territory or footprint

Any Transmission Owner's retail distribution service territory or footprint with benefits less than or equal to one percent of total project benefits shall be excluded from cost allocation.

3. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from legislated public policy requirements, as defined by the planning process, shall be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from public policy needs that are not legislated shall be reported by each entity for its own service territory; decisions on the inclusion of those needs shall be made during the consideration and approval of the system models. Transmission needs driven by public policy requirements shall be included in the evaluation of reliability and economic projects.

Any projects arising out of a need for transmission infrastructure to satisfy the public policy requirements shall be considered public policy projects. The costs of these projects shall be shared with the entities that shall access the resources enabled by the project in order to meet their public policy requirements.

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

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

$$(A \text{ divided by } B) \text{ times } C \text{ equals } D$$

Where:

A is the number of megawatts of public policy resources enabled by the public policy project for the entity in question

B is the total number of megawatts of public policy resources enabled by the public policy project

C is the total project cost

D is the cost for the public policy project allocated to the entity in question

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

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

4. Combination of Benefits

In developing a more efficient and cost effective plan, it is possible for the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project shall be made through the WestConnect Stakeholder process; however, the value of economic benefits may only be considered in response to a WECC Board-approved recommendation to study congestion in the WestConnect footprint.

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

5. Allocation of Ownership and Capacity Rights

To the extent a project beneficiary elects to participate in a project approved for cost allocation in the Regional Transmission Plan, the beneficiary will receive transmission transfer capability on the project in exchange for transmission service payments. In addition, a project beneficiary with transfer capability on the project may resell the transfer capability. If the beneficiary makes direct capital contribution to the project construction cost, it shall receive an ownership percentage in proportion to their capital contribution.

6. Project Development Schedule

The WestConnect Planning Management Committee will not be responsible for choosing a developer for, or managing the development of, any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the Planning Management Committee will monitor the status of the project's development. If a transmission facility is selected for inclusion in the Regional Plan for purposes of cost allocation, the transmission developer of that transmission facility must submit a development schedule that indicates the required steps, such as the granting of state approvals, necessary to develop and construct the

transmission facility such that it meets the regional transmission needs of the WestConnect Planning Region. As part of the ongoing monitoring of the progress status of the transmission project once it is selected, the transmission owners and providers in the WestConnect Planning Region shall establish the dates by which the required steps to construct must be achieved that are tied to when construction must begin to timely meet the need that the project is selected to address. If such required steps have not been achieved by those dates, then the transmission owners and providers in the WestConnect Planning Region may remove the transmission project from the selected category and proceed with reevaluating the Regional Plan to seek an alternative solution.

O. No Obligation to Construct

The Regional Planning Process is intended to determine and recommend more efficient or cost-effective transmission solutions for the WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the planning process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct, any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment K or the Planning Participation Agreement or any cost allocation under the Business Practice Manual or the Planning Participation Agreement will (1) determine any transmission service to be received by, or any transmission usage by, any entity, (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage, (3) obligate any entity to implement or effectuate, or commit to implement or effectuate, any cost allocation, (4) obligate any entity to pay, or commit to pay, costs of any project or proposed project in accordance with any cost allocation, or (5) entitle any entity to recover for any transmission service or usage or to recover from any entity any cost of any transmission facilities, regardless of whether such transmission facilities are included in any plan. Without limiting the generality of the foregoing, nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement with respect to an Order No. 1000 cost allocation shall preclude WestConnect or any other entity from carrying out any of its statutory authorities or complying with any of its statutory obligations.

IV. RECOVERY OF PLANNING COSTS

Unless Transmission Provider allocates planning-related costs to an individual stakeholder as permitted under the OATT, all costs incurred by the Transmission Provider related to the Local Transmission Plan process or the sub-regional or regional planning process shall be included in the Transmission Provider's transmission rate base.

V. DISPUTE RESOLUTION PROCEDURES

For purposes of the NV Energy, Inc. Operating Companies' transmission planning processes, the NV Energy, Inc. Operating Companies' and its Eligible Customers, as well as potential customers and stakeholders, participating in the planning process shall follow the following dispute resolution procedures in the event of a dispute concerning Attachment K:

1. WECC. If the dispute is one that is within the scope of the WECC dispute resolution procedures, then such procedures contained in the WECC Business and Governance Guidelines and Policies (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).
2. Non-WECC. For disputes not within the scope of the WECC dispute resolution procedures, the dispute resolution procedures set forth in Section 12 of the NV Energy, Inc. Operating Companies' OATT shall apply, with the added provision that upon agreement of the parties, any dispute that is not resolved by direct negotiation between or among the affected parties within a reasonable period of time, may be referred to mediation (before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the parties).
3. Notwithstanding anything to the contrary in this Section V, any affected party may refer either a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution at any time, for example by filing with FERC a complaint, a request for declaratory order or a change in rate.

Attachment K: Transmission Planning Process

TABLE OF CONTENTS

	<u>Attachment K Page No.</u>
I. Overview Of The NV Energy, Inc. Operating Companies' Transmission Planning Process.....	3
II. NV ENERGY, INC. OPERATING COMPANIES' LOCAL TRANSMISSION PLANNING	4
A. NV Energy Companies' Local Transmission Planning Process	6
B. NV Energy, Inc. Operating Companies Stakeholder/Open Public Meeting Process for Local Transmission Planning.....	16
C. Ten or Twenty Year Transmission System Plan.....	19
D. Coordination of Reliability Planning with the Western Electricity Coordinating Council (WECC), or its successor organization.....	20
E. Cost Allocation For New Projects	28
III. WestConnect Order No. 1000 regional Transmission Planning Process.....	31
A. Overview	31
B. WestConnect Objectives and Procedures for Order No. 1000 Regional Transmission Planning	32
C. Cost Allocation Methodology in WestConnect Order No. 1000 Regional Transmission Planning Process	33
D. Roles in the Regional Transmission Planning Process	33
E. Submission of Data by Customers, Transmission Developers, and Transmission Owners	35
F. Overview of Regional Planning Methodology and Evaluation Process.....	38
G. WestConnect Reliability Planning Process.....	39
H. WestConnect Economic Planning Process.....	39
I. WestConnect Public Policy Planning Process	39
J. Consideration of Non-Transmission Alternatives.....	40
K. Approval of the WestConnect Regional Plan.....	40
L. Reevaluation of the WestConnect Regional Plan.....	40
M. Confidential or Proprietary Information	41
N. Cost Allocation	41

O. No Obligation to Construct 46

IV. Recovery Of Planning Costs 46

V. Dispute Resolution Procedures 46

~~I. Overview Of The NV Energy, Inc. Operating Companies~~

I. OVERVIEW OF THE NV ENERGY, INC. OPERATING COMPANIES' TRANSMISSION PLANNING PROCESS

Sierra Pacific Power Company (SPPC) and Nevada Power Company (NPC) are vertically integrated public utilities that are wholly owned subsidiaries of NV Energy, Inc., (a public utility holding company) and are referred to herein as the NV Energy, Inc. Operating Companies (NVE). The NV Energy, Inc. Operating Companies are Transmission Providers providing Transmission Service and Interconnection Service under the NV Energy, Inc. Operating Companies Open Access Transmission Tariff (OATT) and are engaged in the business of generating, transmitting and distributing electricity in ~~fifteen of Nevada's seventeen counties~~ Nevada, and limited transmission in ~~seven counties of~~ California. The NV Energy, Inc. Operating Companies provide electric transmission and related reliability services under state and federal statutes and regulations. The NV Energy, Inc. Operating Companies' local, regional, and subregional transmission planning ~~process is~~ processes are based on the following three core objectives:

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

The NV Energy, Inc. Operating Companies' engage in local, regional and subregional transmission planning ~~process is intended to facilitate a timely, coordinated and transparent process that fosters the development of electric infrastructure that maintains reliability and meets load growth, so that processes.~~ The NV Energy, Inc. Operating Companies ~~can continue to provide reliable low cost electric power to its customers and transmission service to third parties from its available transfer capability.~~

~~The transmission planning process conducted by NV Energy, Inc. Operating Companies includes~~ conduct a series of local open planning meetings ~~that the NV Energy, Inc. Operating Companies will conduct~~ at least twice a year to allow anyone, including, but not limited to, Network and Point-to-Point Transmission Customers, Interconnection Customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, interconnected neighbors, regulatory and state bodies and other stakeholders, input into and participation in all stages of development of the NV Energy, Inc. Operating Companies' local transmission plan.

In addition to their local transmission planning processes, the NV Energy, Inc. Operating Companies coordinate regional and subregional transmission planning with other transmission providers and stakeholders in the Desert Southwest ~~area,~~ Northern Nevada and Northern California areas, and the Western Interconnection as a whole, through their active participation in the Southwest Area Transmission (SWAT) planning group, Sierra Subregional Planning Group (SSPG), membership in WestConnect,¹ membership in the Western Electricity

1. WestConnect was formed under a memorandum of understanding (MOU) among twelve, jurisdictional and non-jurisdictional transmission providing electric utilities in the Western Interconnection. Under the MOU, the purposes

Coordinating Council (WECC) and participation in the WECC Transmission Expansion Planning Policy Committee (TEPPC) and its Technical Advisory Subcommittee (TAS~~);~~, and the WECC Planning Coordination Committee.

Three subregional planning groups operate within the WestConnect footprint: SWAT, the Colorado Coordinated Planning Group (CCPG~~);~~ and SSPG. The NV Energy, Inc. Operating Companies ~~are active~~participate in the SWAT and SSPG subregional planning groups. WestConnect's planning effort, which includes funding and provision of planning management, analysis, report writing and communication services, supports and manages the coordination of the subregional planning groups and their respective studies. Such responsibilities are detailed in the WestConnect Project Agreement for Subregional Transmission Planning (WestConnect STP Project Agreement), dated May 23, 2007 (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ ~~);~~<http://www.oatioasis.com/SPPC/>). The NV Energy, Inc. Operating Companies are signatories to ~~this~~the WestConnect STP Project Agreement.²

The subregional planning groups within the WestConnect footprint, assisted by the WestConnect planning manager, ~~(pursuant to the WestConnect STP Project Agreement)~~ formed the WestConnect Planning Management Committee to comply with the requirements of Order No. 890, et. al, and coordinate with other Western Interconnection transmission providers and their subregional planning groups through TEPPC. TEPPC provides for the development and maintenance of an economic planning study database for the entire Western Interconnection and performs annual congestion studies ~~at the Western Interconnection region level in the Western Interconnection.~~ The NV Energy, Inc. Operating Companies' participation in a regional planning process is undertaken through WestConnect as further described in Part III of this Attachment K.

~~If you have any question on the planning process please contact the NV Energy, Inc. Operating Companies at the e-mail address identified on the SPPC and NPC OASIS web sites (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ or the SPPC OASIS @) or call (775) 834-5875. The NV Energy, Inc. Operating Companies have identified a contact person on the SPPC and NPC OASIS web sites to respond to customer/stakeholder questions~~

of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market participants and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint. Current FERC jurisdictional transmission utilities who have executed the WestConnect MOU are: Arizona Public Service Company, El Paso Electric Company, Nevada Power Company/Sierra Pacific Power Company, Public Service Company of Colorado, Public Service Company of New Mexico, Black Hills Power, and Tucson Electric Power Company. Following the last effective date of the NV Energy Inc. Operating Companies' Order No. 1000 compliance filing, the WestConnect members shall establish a regional planning management committee (as further described in Part III of this Attachment K) which shall be responsible for regional transmission planning under the principles set for in Order No. 890 and carried forward in FERC's Transmission Planning and Cost Allocation by Transmission Owning and Operating Utilities, 136 FERC ¶ 61,051 (2011), et al. (Order No. 1000).

2. The NV Energy Inc. Operating Companies note that prior to October 11, 2012, the term "Subregional" was used to refer to regional planning, as such term is defined under FERC's Order No. 1000. Following the effective date of the NV Energy Inc. Operating Companies' Order No. 1000 compliance filing, the NV Energy, Inc. Operating Companies shall use the term regional planning in the same manner used in FERC's Order No. 1000.

~~regarding the planning process, modeling, criteria, assumptions, and data underlying transmission system plans.~~

II. NV ENERGY, INC. OPERATING ~~COMPANIES~~COMPANIES' LOCAL TRANSMISSION PLANNING

A. NV Energy ~~Companies~~Companies' Local Transmission Planning Process

Participation in the NV Energy, Inc. Operating Companies' local transmission planning process is open to all affected parties, including, but not limited to, all transmission and interconnection customers, sponsors of transmission solutions, generation solutions, and solutions utilizing demand response resources, state authorities, and other stakeholders.

1. Confidential or Proprietary Information

~~Where appropriate, the NV Energy, Inc. Operating CompaniesCompanies' local transmission planning studies may include base case data that ~~are~~is WECC proprietary data ~~or, data that is~~ classified as Critical Energy Infrastructure Information (CEII) by the Federal Energy Regulatory Commission (FERC). ~~A stakeholder must hold membership in or execute a non-disclosure agreement with WECC (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ or the SPPC OASIS @) in order to obtain requested base case data from the NV Energy, Inc. Operating Companies. A stakeholder may obtain transmission planning information classified as CEII from the NV Energy, Inc. Operating Companies upon execution of a non-disclosure agreement with NPC or SPPC.), confidential customer specific information, or other information that may be deemed to be confidential.~~~~

A stakeholder must hold membership in and/or execute a non-disclosure agreement with WECC in order to have access base case data from WECC, or its successor entity. As appropriate, a stakeholder may obtain local transmission planning information classified as CEII from the NV Energy, Inc. Operating Companies, or other confidential information, upon execution of an appropriate non-disclosure agreement with NPC or SPPC, as necessary.

2. Types of Planning Studies

- a. Transmission Planning Studies. NV Energy, Inc. Operating Companies will conduct local reliability planning studies to ensure that all network transmission customers' and NV Energy, Inc. Operating Companies' retail customers' requirements for planned loads and resources, including demand response resources, or other non-transmission alternatives (as approved by the Public Utilities Commission of Nevada or other appropriate governmental authority) are met for each year of the ten year planning horizon, and that all North American Electric Reliability Corporation (NERC), WECC, and local reliability standards are met. These reliability planning studies will be coordinated throughwith the appropriate Balancing Authorities in accordance with NERC and WECC standards and with appropriate subregional transmission planning organizations (SWAT or SSPG) ~~and ultimately through the WECC TEPPC process).~~
- b. Economic Planning Studies. Economic planning studies are performed when undertaken as specified in Section II.A.4 to identify significant and recurring congestion on the transmission system and/or address the integration of new resources and loads~~-. Such studies may analyze any, or all, of the following: (i)~~

the location and magnitude of the congestion; (ii) possible remedies for the elimination of the congestion, in whole or in part, including transmission solutions, generation solutions, and solutions utilizing demand response resources; (iii) the associated costs of congestion; ~~and;~~ (iv) the costs associated with relieving congestion through system enhancements (or other means); ~~);~~ and, as appropriate; (v) the economic impacts of integrating new resources and loads. NV Energy, Inc. Operating Companies will perform, or cause to be performed, economic planning studies at the request of any transmission customer or stakeholder. ~~All~~ Costs for such studies shall be as set forth in Section II.A.4 of this Attachment K. Economic planning studies performed, either by NV Energy, Inc. Operating Companies ~~or TEPPC,~~ will utilize the TEPPC public data base.

3. NV Energy, Inc. Operating Companies' Local Transmission Planning Study Process (see flow chart attached as Attachment K Exhibit 1)

- a. Transmission Plan Needs Assessment. The NV Energy, Inc. Operating ~~Companies~~ Companies' local transmission planning process consists of an assessment of the following needs:
 - i. Provision of adequate transmission to access sufficient resources in order to reliably and economically serve retail and network loads and satisfy public policy requirements mandated by federal or state legislation or regulation.
 - ii. Where feasible, identify alternatives such as demand response resources, or other non-transmission alternatives as approved by the Public Utilities Commission of Nevada or other appropriate governmental authority, that could meet or mitigate the need for transmission additions or upgrades.
 - iii. Support of the NV Energy, Inc. Operating Companies' local transmission and sub-transmission systems.
 - iv. Provision for the interconnection of new generation resources.
 - v. Reflect the impact of any demand response resources.
 - vi. Coordinate new interconnections with other transmission systems.
 - vii. Accommodate requests for long-term transmission access.
- b. NV Energy, Inc. Operating Companies' Local Transmission Planning Cycle
 - i. Planning Cycle. Each of the NV Energy, Inc. Operating Companies conducts local transmission planning on a three year cycle for a twenty year planning horizon in accordance with the Twenty Year "Integrated Resource Plan" Process described in (3.b.ii) below ~~(3-b).~~
 - ii. Triennial Twenty Year Plan. Each of the NV Energy, Inc. Operating Companies updates its local twenty year plan every three years and amends the plan as necessary during the intervening period. The Integrated Resource Plan (IRP) is filed with the Public Utilities Commission of Nevada (PUCN). The NPC and SPPC resource plans and amendments are available on the PUCN web site (see the Attachment K Hyperlinks List in the OATT section

of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ ~~http://www.oatioasis.com/SPPC/~~.

- iii. The NV Energy, Inc. Operating Companies work with and provide data to the Nevada State Office of Energy (NSOE) which publishes an annual report called the “Status of Energy in Nevada”³.⁴ This report is available on NSOE web site (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ ~~http://www.oatioasis.com/SPPC/~~).
- c. Transmission Customer’s Responsibility for Providing Data
- i. Use of Customer Data. The NV Energy, Inc. Operating Companies use information provided by their transmission customers to, among other things, assess network load and resource projections (including demand response resources), transmission needs, operating dates and retirements for generation resources on the Operating Companies’ Transmission Systems, and to update regional models used to conduct planning studies.
 - ii. Submission of Data by Network Transmission Customers. As required pursuant to the NV Energy, Inc. Operating Companies’ OATT, network transmission customers shall supply information on their ten year projected network load and network resources (including demand response resources) to either NPC or SPPC, as applicable, on an annual basis. This information *must* be submitted electronically by network transmission customers to the NV Energy, Inc. Operating Companies contact person ~~at~~as identified on the SPPC and NPC OASIS web sites (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ ~~http://www.oatioasis.com/SPPC/~~) by September 1 each year.
 - iii. Submission of Data by Other Customers. To maximize the effectiveness of the NV Energy, Inc. Operating ~~Companies~~Companies’ local planning process, it is essential that all other customers provide their ten year needs in the form of relevant data for inclusion in the NV Energy, Inc. Operating Companies transmission planning process. This information must be submitted electronically by transmission customers to the NV Energy, Inc. Operating Companies contact person ~~at~~as identified on the SPPC and NPC OASIS web sites (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ ~~http://www.oatioasis.com/SPPC/~~) by September 1 each year in order to be included in the planning process for the transmission plan that NV Energy, Inc. Operating Companies submit to the PUCN.

³ The NSOE’s annual “Status of Energy in Nevada” process evaluates the transmission providers’ filed twenty year plans, changes in system from the previous year, and other study reports on an annual.

³. The NSOE’s annual “Status of Energy in Nevada” process evaluates the transmission providers’ filed twenty year plans, changes in system from the previous year, and other study reports on an annual basis.

- iv. Types of Transmission Customer Data. To the maximum extent practical and consistent with protection of proprietary information, data submitted by Network Transmission Customers and other Transmission Customers should include for the ten year planning horizon:
 - (a) Generators - planned additions or upgrades (including status and expected in-service dates), planned retirements and environmental restrictions.
 - (b) Demand response resources - existing and planned demand resources and their impacts on demand and peak demand.
 - (c) Network Customers - forecast information for load and resource requirements over the planning horizon and identification of demand response reductions.
 - (d) Point-to-Point Transmission Customers - projections of need for service over the planning horizon, including transmission capacity, duration, and receipt and delivery points.
- v. Notification of Material Changes to Transmission Customer Data. Each transmission customer is responsible for timely submittal of written notice to the NV Energy, Inc. Operating Companies of material changes in any of the information previously provided to NV Energy, Inc. Operating Companies related to the transmission customer's load, resources (including demand response resources), or other aspects of its facilities or operations which may, directly or indirectly, affect the NV Energy, Inc. Operating Companies' ability to provide service.
- d. Stakeholder Participation in NV Energy, Inc. Operating Companies' Local Transmission Planning Study Process
 - i. In its 2nd Quarter public planning meeting, NV Energy, Inc. Operating Companies will (a) review its current local transmission study plan with transmission customers and stakeholders; (b) provide an opportunity for transmission customers to update the loads, resources (including demand response resources), and other data submitted by September 1 of the prior year (see Section II.A.3.c); (c) provide an opportunity for stakeholder input on any aspect of its transmission study plan; (d) review any stakeholder proposals previously submitted to NV Energy, Inc. Operating Companies for study plan alternatives; (e) inviteprovide an opportunity for the submittal of additional stakeholder study plan proposals for review and discussion; and (f) provide updates on NV Energy, Inc. Operating Companies' planned transmission projects.
 - ii. In its 4th Quarter public planning meeting, NV Energy, Inc. Operating Companies will present a draft of its Ten Year Transmission Plan for the following calendar year for stakeholder review and comments.
 - iii. This schedule may be modified to coordinate with subregional and regional transmission planning processes, subject to updated postings on the NV Energy, Inc. Operating Companies' OASIS and WestConnect websites.

- e. Coordination of the NV Energy, Inc. Operating Companies' Study Cycle with SWAT and SSPG Study CycleCycles. The NV Energy, Inc. Operating Companies will coordinate the timing of its local transmission planning study cycle with the development of the assumptions, coordinated base cases and power flow cases performed with the SWAT and SSPG planning groupgroups, which is open to participation by all interested parties.
- f. NV Energy, Inc. Operating Companies' Point of Contact for Questions on the NV Energy, Inc. Operating Companies' Local Transmission Planning Study Process. The NV Energy, Inc. Operating Companies will identify a Point of Contact on its OASIS to respond to transmission customer and stakeholder questions regarding transmission planning modeling, criteria, assumptions and data underlying system plans- (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).
- g. NV Energy, Inc. Operating Companies' Local Transmission Planning Study Criteria and Guidelines. Transmission customers and stakeholders should refer to the NV Energy, Inc. Operating Companies' Local Transmission Planning Process and Guidelines for the NV Energy, Inc. Operating Companies' transmission planning criteria, guidelines, assumptions and data. The Planning Guidelines are posted on the NVE OASIS- (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).
- ~~h. Comparability – NV Energy, Inc. Operating Companies and Stakeholder Alternative Solutions Evaluation Basis. The NV Energy, Inc. Operating Companies planning process is an objective process that evaluates use of the transmission system on a comparable basis for all customers. All solution alternatives that have been presented on a timely basis (per Section II.A.3 of this Attachment K), including transmission solutions, generation solutions and solutions utilizing demand response resources, whether presented by the NV Energy, Inc. Operating Companies or another Stakeholder, will be evaluated on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder. Solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to practically fulfill the identified need; (2) ability to meet applicable reliability criteria or NERC Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); and (6) where applicable, consistency with State or local integrated resource planning requirements, or regulatory requirements, including cost recovery through regulated rates.~~
- ~~4. Economic Planning Study Requests (see flow chart attached as Attachment K Exhibit 1)~~

4. Local Economic Planning Study Requests

- a. Requesting Local Economic Planning Studies. Any of the NV Energy, Inc. Operating Companies' customers or other stakeholder ("Requester"), including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, may submit a study request for ~~ana local~~ economic planning study directly to the NV Energy, Inc. Operating Companies ~~or TEPPC~~. The Requester must submit its study request(s) no later than September 30 of each year if it wishes the NV Energy, Inc. Operating Companies to review the study request(s) with stakeholders at its 4th Quarter open public planning meeting. The NV Energy, Inc. Operating Companies require that study request(s) be submitted to ~~, electronically. The NV Energy, Inc. Operating Companies will coordinate the timing of their economic planning study cycle with the TEPPC process electronically to Transmission_Planning@nvenergy.com.~~
- b. ~~Process for Handling Economic Transmission Planning Study Requests by the NV Energy, Inc. Operating Companies.~~ The NV Energy, Inc. Operating Companies shall ensure that any economic planning study requests received by the NV Energy, Inc. Operating Companies are properly handled under this Attachment K by:
- i. ~~TEPPC Master List.~~ Forwarding to TEPPC for inclusion in the TEPPC Master List of economic planning studies for the Western Interconnection and for consideration by TEPPC as a priority request. TEPPC's Master List is publicly available. (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ ~~or the SPPC OASIS @)~~
 - ii. ~~Stakeholder Review of Economic Transmission Study Requests.~~ The NV Energy, Inc. Operating Companies shall review and seek stakeholder input on requests that it receives for economic planning studies at its next open public transmission planning meeting. The NV Energy, Inc. Operating Companies shall then determine whether the study request should be classified as a local priority request and performed by the NV Energy, Inc. Operating Companies or whether the study request encompasses a sub-region or region. In such a case the NV Energy, Inc. Operating Companies will transfer the request to TEPPC for consideration as a priority request at TEPPC's stakeholder meeting. Typically, local priority requests are requests that involve facilities that are included in the NV Energy, Inc. Operating Companies filed Integrated Resource Plans (IRP) or any amendments to those plans. The criteria TEPPC utilizes to prioritize requests for regional economic studies are posted on the WECC website. (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ ~~or the SPPC OASIS @)~~
 - iii. ~~Criteria Used to Determine Whether an Economic Planning Study Request is a Local Study Request.~~ Based in part on the number and type of study requests received, the NV Energy, Inc. Operating Companies shall

~~consider the following criteria to determine whether the economic transmission planning study request is a local study request:~~

- ~~(a) Whether the study request affects interconnected transmission systems,~~
- ~~(b) Whether the remedies are confined to a local area and can be resolved within the local area, i. e., the NV Energy, Inc. Operating Companies' service territories.~~

~~iv. Criteria~~i. Factors Used to Determine Whether a Local Economic Planning Study Request is a Priority Request. The NV Energy, Inc. Operating Companies shall consider the following criteria to determine whether a local economic planning study request is a Priority Request:

- (a) What portion of the NV Energy, Inc. Operating Companies' local transmission system will be under consideration in the study?
- (b) Does the request raise fundamental design issues of interest to multiple parties?
- (c) Does the request raise policy issues of national, regional or state interest, e.g., with respect to access to renewable power, and location of both conventional and renewable resources?
- (d) Can the objectives of the study be met by other studies?
- (e) Will the study provide information of broad value to customers, regulators, transmission providers and other interested stakeholders?
- (f) Can similar requests for studies or scenarios be represented generically if the projects are generally electrically equivalent?
- (g) Can requests be aggregated into energy or load aggregation zones with generic transmission expansion between?
- (h) Does the study request require the use of production cost simulation or can it be better addressed through technical studies, i.e., power flow and stability analysis?

~~vii. Economic Transmission Planning Study Requests Determined to be a Local Priority~~

- (a) If the NV Energy, Inc. Operating Companies determine that the study request is a local priority request, the NV Energy, Inc. Operating Companies will conduct the study and coordinate assumptions and results with its customers, stakeholders and interconnected neighbors as appropriate. The NV Energy, Inc. Operating Companies will have no obligation to conduct and pay for more than three priority local economic planning studies per calendar year. ~~The NV Energy, Inc. Operating Companies will have no obligation to conduct and pay for more than three priority local economic planning studies per calendar year.~~ Each study request will be evaluated in the order in which it is received to

determine if it meets the criteria for a priority local economic planning study.

- (b) If the NV Energy, Inc. Operating Companies receive more than three requests for local economic studies that are determined to be priority local requests in the calendar year, it may perform one or more additional studies at its sole discretion. If the NV Energy, Inc. Operating Companies elect not to perform such an additional study, the Requester may request, and the NV Energy, Inc. Operating Companies will provide, assistance in having a third party perform the local economic planning study at the Requester's expense. ~~—The Requester will have use of the TEPPC economic study data base and the NV Energy, Inc. Operating Companies will support the Requester in ensuring that the study is coordinated through local, subregional or regional planning groups.~~

~~e. Process for Handling Economic Study Requests Received by TEPPC. TEPPC will review economic planning study requests received from either transmission providers or from Requesters directly. TEPPC shall review such study requests during its open stakeholder meeting and, together with its stakeholders, prioritize requests for economic planning studies. The NV Energy, Inc. Operating Companies shall participate in the TEPPC prioritization process and provide input as to whether a study request should be included in the TEPPC study plan. The Requester is also encouraged to participate and provide input in the TEPPC prioritization process. Additionally, WestConnect will provide advice, on an as-needed basis, to TEPPC regarding prioritizing regional economic planning study requests and potential clustering of requested regional economic planning studies, if those studies involve facilities in the WestConnect footprint. For more detail regarding the TEPPC economic planning study process, see the executive summary overview of the TEPPC Transmission Planning Protocol. (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ or the SPPC OASIS @)~~

~~d. Lowiii. Non Priority Local Economic Study Requests. If the NV Energy, Inc. Operating Companies ~~and TEPPC determine~~, after reviewing through an open stakeholder process, that the requested local economic planning study is not a priority study, the Requester may request the NV Energy, Inc. Operating Companies' assistance in having a third party perform the economic planning analysis at the Requester's expense. ~~The Requester will have use of the TEPPC economic study data base and the NV Energy, Inc. Operating Companies will support the Requester in ensuring that the study is coordinated as necessary through local, subregional or regional planning groups.~~~~

~~eb. Clustering Local Priority Economic Planning Studies. The NV Energy, Inc. Operating Companies may determine that any number of Requesters' economic planning study requests should be studied together, or a Requester may request that the NV Energy, Inc. Operating Companies study its request together with other requests. The NV Energy, Inc. Operating Companies will combine such studies as they deem appropriate. ~~The NV Energy, Inc.~~~~

~~Operating Companies will consider the following criteria to determine whether to cluster priority local economic studies, both on its own volition and in response to a Requester's request:~~

- i. Proposed Clusters. In the event that the NV Energy, Inc. Operating Companies propose to cluster certain studies, they shall provide notice to each Requester ~~that they propose to include~~ be included in the cluster study. Each Requester shall be provided the opportunity to opt out of the cluster within ten (10) days of notice from the NV Energy, Inc. Operating Companies. ~~–If a Requester opts out of a proposed cluster, the request~~ Requester will be responsible for all study costs and such study will be treated as a normal non-clustered project in the order in which it was requested.
- ii. Requester-Proposed Clusters. If a Requester wishes to propose a cluster study, prior to submitting an economic planning study cluster request to the NV Energy, Inc. Operating Companies, the Requester must contact all of the other Requesters whose requests it proposes to cluster and obtain their written consent that they are willing to have their request clustered with other identified requests. ~~NVE~~ The NV Energy Inc., Operating Companies will reasonably determine whether the economic planning study requests that the Requester proposes to cluster and for which the other affected Requesters have provided consent, are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied together. ~~–NVE~~ The NV Energy, Inc. Operating Companies reserves the right to reject a customer-proposed cluster on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster cannot be feasibly studied as a group, is not likely to provide a result significantly different than separate studies or if the proposed clustering impairs administration or timely processing of the economic study process. The Transmission Provider will make the determination whether to reject a proposed cluster, and provide notice of any decision to reject, within twenty (20) days of receipt of all of the written consents of the Requesters that propose to be clustered.

If study requests are combined, the study costs will be allocated equally among the combined Requesters.

~~fc.~~ Process for Handling Economic Transmission Planning Study Requests by the NV Energy, Inc. Operating Companies. If an economic planning study request is not a local economic study request, i.e., is either regional or interregional, the NV Energy Inc. Operating Companies shall forward the request to WestConnect or TEPPC, as appropriate. The criteria TEPPC utilizes to prioritize requests for regional economic studies are posted on the TEPPC page of the WECC website.

d. Cost Responsibility for Local Economic Planning Studies

- i. Priority Local Economic Planning Studies. Priority local economic planning studies selected pursuant to Section II.A.4.~~b.v.~~ 2, including

clustered priority local economic planning studies selected pursuant to Section II.A.4.~~e,ii~~ will be performed or caused to be performed by the NV Energy, Inc. Operating Companies at the NV Energy, Inc. Operating Companies' expense, and will recover the costs of such studies through its transmission rates.

- ii. Priority Regional Economic Planning Studies. Regional economic studies will be performed by ~~TEPPC and funded by WECC~~WestConnect as discussed in Part III of this Attachment K.
 - iii. Other Local Economic Study Requests. Local economic study requests not selected pursuant to Sections II.A.4.~~b.v or II.A.4.e~~ may be performed at the Requester's expense. The NV Energy, Inc. Operating Companies, at their discretion, may perform the study work, but undertake no obligation to do so, or work with the Requester and its third party contractor as specified by the Requester.
 - iv. If not a Local Economic Priority Study, the NV Energy, Inc. Operating Companies will assign the cost of producing the clustered economic planning study, including any third-party study work required by the NV Energy, Inc. Operating Companies, on an equal basis to each Requester participating in that study.
- g. Exchange of Data Unique to Economic Planning Studies
- i. The NV Energy, Inc. Operating Companies obtain data used for economic planning studies from the TEPPC data base.
 - ii. Requester's request for detailed base case data must be submitted to WECC, or its successor organization, in accordance with ~~the WECC's~~ procedures.
 - iii. Requester's request for economic planning studies and responses to such requests shall be posted on the SPPC / NPC (as applicable) OASIS ~~and the WestConnect website~~ (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ ~~)~~<http://www.oatioasis.com/SPPC/>) subject to confidentiality requirements.
- ~~h. Economic Planning Study Cycle. The NV Energy, Inc. Operating Companies will coordinate the timing of their economic planning study cycle process with the TEPPC process. The NV Energy, Inc. Operating Companies will require that the Requester submit its study request at least one month prior to the study submission date required for the TEPPC study process.~~
- ~~ih. NV Energy, Inc. Operating Companies Point of Contact for Study Requests. The NV Energy, Inc. Operating Companies have identified a contract person on the SPPC and NPC OASIS web sites to respond to Requester questions regarding modeling, criteria, assumptions, and data underlying transmission system plans. (see the Attachment K Hyperlinks List in the OATT section of~~

the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).

B. NV Energy, Inc. Operating Companies Stakeholder ~~+/~~Open Public Meeting Process for Local Transmission Planning

The NV Energy, Inc. Operating Companies will hold at least two open public local transmission planning meetings a year that will allow and promote customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, interconnected neighbors, regulatory and state bodies and other stakeholders to participate in a coordinated, nondiscriminatory process for development of the NV Energy, Inc. Operating Companies transmission plans. One of the two meetings will be held during the 4th Quarter and the NV Energy, Inc. Operating Companies, along with customers and stakeholders will review the economic study requests that were submitted ~~in October~~ by September 30th of that year.

1. Purpose and Scope

These public meetings will provide an open transparent forum whereby electric transmission stakeholders can comment and provide advice to the NV Energy, Inc. Operating Companies during all stages, including the early stages, of their transmission planning. These public transmission planning meetings will serve to:

- a. Provide a forum for open and transparent communications among the state's transmission providers, state regulatory authorities, customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other interested stakeholders;
- b. Promote discussion of all aspects of the NV Energy, Inc. Operating Companies transmission planning activities, including, but not limited to, methodology, study inputs and study results; and
- c. Provide a forum for the NV Energy, Inc. Operating Companies to understand better the specific electric transmission interests of key stakeholders.

2. The NV Energy, Inc. Operating Companies Public Planning Meeting Process

- a. Open Stakeholder Meetings. All public transmission planning meetings will be open to all stakeholders.
- b. The NV Energy, Inc. Operating Companies Planning Meeting Schedule. The NV Energy, Inc. Operating Companies will establish their public planning meeting schedule as needed, but no less than twice annually.
- c. Meeting Purpose. Meetings will be conducted to (i) allow the NV Energy, Inc. Operating Companies to maximize their understanding of their customers' forecasted needs for the NV Energy, Inc. Operating Companies transmission systems; (ii) offer transmission customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders an opportunity to be informed about, offer input and advice into, the NV Energy, Inc. Operating Companies transmission systems and planning process, as well as to propose alternatives for any upgrades identified by the NV Energy, Inc. Operating Companies; (iii) review study results; and (iv) review transmission plans.
- d. Coordination with subregional groups. Through past experience, the NV Energy, Inc. Operating Companies anticipate that much of their local transmission planning process will be conducted and coordinated through the SWAT or SSPG subregional planning groups. The NV Energy, Inc. Operating Companies will schedule public meetings to coordinate with the SWAT quarterly planning schedule, which is described in more detail below ~~(see Section III. B. 8).~~
- e. Posting of Meeting Notices. Meeting Notices, including date, time, place and meeting agenda will be posted on the NPC / SPPC OASIS web sites ~~and WestConnect website~~ (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>), at least two weeks prior to the meeting. The

NV Energy, Inc. Operating Companies will establish their public planning meeting schedule as needed, but no less than twice annually.

- f. Meeting Agendas. The agendas for the NV Energy, Inc. Operating Companies' public planning meetings will be sufficiently detailed, posted on the NPC /SPPC OASIS web sites (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ ~~);~~<http://www.oatioasis.com/SPPC/>), and circulated to its distribution list in advance of the meetings in order to allow customers and stakeholders the ability to choose their meeting attendance most efficiently.
- ~~g. Meeting Process. At the NV Energy, Inc. Operating Companies meetings to be held during the 2nd and 4th Quarter each year, the NV Energy, Inc. Operating Companies shall (i) review their transmission planning process and current study plan with stakeholders; (ii) request stakeholder review of the current study plan; (iii) provide an opportunity for comment on any aspect of their transmission planning process; (iv) invite the submittal of transmission study requests from stakeholders for review and discussion; and (v) provide updates on their planned projects. The NV Energy, Inc. Operating Companies may solicit information on load resources and other needs from customers and stakeholders for the preparation of a draft study plan at any one of these meetings. During the meeting, and for fifteen (15) calendar days following the meeting, all stakeholders and interested parties will be encouraged to provide the NV Energy, Inc. Operating Companies with any comments on the study results presented in the NV Energy, Inc. Operating Companies meeting. The final local study results and study plan will be posted on the NPC / SPPC OASIS and the WestConnect websites (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ ~~or the SPPC OASIS @~~).~~
- ig. The NV Energy, Inc. Operating Companies Distribution List. All existing NV Energy, Inc. Operating Companies' Network and Point-to-Point Transmission Customers and Interconnection Customers will be included on the NV Energy, Inc. Operating Companies' distribution list and ~~actively~~ notified via email of all upcoming public meetings. Any other stakeholder wanting to be included on the NV Energy, Inc. Operating Companies' email distribution list should contact the NV Energy, Inc. Operating Companies contact person ~~at~~ as identified on the SPPC and NPC OASIS web sites (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ ~~);~~<http://www.oatioasis.com/SPPC/>). It is the responsibility of the customers and stakeholders to provide the NV Energy, Inc. Operating Companies with current contact information, including email addresses.
- jh. Electronic Input and Comments. Stakeholders are encouraged to provide input, comments, advice and questions into the process at any time via the NV Energy, Inc. Operating Companies contact person at identified on the SPPC and NPC OASIS web sites (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ ~~);~~<http://www.oatioasis.com/SPPC/>).

~~k.~~ i. Local Public Planning Meeting Schedule.

- i. At the 2nd Quarter public planning meetings, the NV Energy, Inc. Operating Companies will review information on loads, resources (including demand response resources), and other needs from its transmission customers, together with specific requests submitted either prior to or during the NVE 2nd Quarter meeting (see Section II.A.3.d.i) for inclusion in NVE's draft transmission study plan. The NV Energy, Inc. Operating Companies may solicit information on load resources and other needs from customers and stakeholders for the preparation of the draft study plan.
- ii. At the 4th Quarter public planning meetings, the NV Energy, Inc. Operating Companies will review economic planning study requests received by ~~October 31~~ September 30 (see Section II.A.4.a) and present a draft of its Ten Year Transmission Plan for stakeholder review and comment.
- iii. This schedule may be modified to coordinate with the subregional and regional transmission planning processes, subject to updated postings on the NV Energy, Inc. Operating Companies OASIS ~~and WestConnect website~~ (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ ~~http://www.oatioasis.com/SPPC/~~ http://www.oatioasis.com/SPPC/).
- ~~lj.~~ Posting of Meeting Documents. The NV Energy, Inc. Operating Companies will post all meeting-related notes, documents and draft or final reports on the SPPC and NPC OASIS web sites ~~and copies will be forwarded to WestConnect for inclusion on WestConnect website~~ (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ ~~http://www.oatioasis.com/SPPC/~~ http://www.oatioasis.com/SPPC/).
- ~~mk.~~ Posting of Public Documents. ~~In order to permit all stakeholders access to the Public information will be posted on the SPPC and NPC OASIS web sites and the WestConnect website, only public information will be shared and public business conducted in the NV Energy, Inc. Operating Companies open public meetings websites.~~

C. Ten or Twenty Year Transmission System Plan

Each year the NV Energy, Inc. Operating Companies use the planning process described in Section II. A above to complete an informal update of their local transmission plan (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ ~~http://www.oatioasis.com/SPPC/~~ http://www.oatioasis.com/SPPC/).

Every three years the planning process will be used to develop the Integrated Resource Plan (IRP) ~~filing~~ filing with the PUCN. The Ten or Twenty Year Transmission System Plan identifies all new transmission facilities, 200115 kV and above, (as applicable), and all facility replacements and/or upgrades required over the next ten or twenty years to reliably and economically meet ~~customers~~ customers' needs. The primary focus of the plan is a three year action plan which covers the next three years in detail.

D. Ten Year Transmission System Plan Coordination of Reliability Planning with the Western Electricity Coordinating Council (WECC), or its successor organization

Each year WestConnect collects data for a ten-year Transmission System Plan from the subregional planning groups. Both SWAT and SSPG will be providing data for this process. The WestConnect Ten Year Transmission System Plan identifies all of the new transmission facilities, 115 kV and above, and all facility replacements and/or upgrades required over the next ten years to reliably and economically meet its customers needs.

III. SUBREGIONAL AND REGIONAL COORDINATION

Subregional Planning and Coordination at the WestConnect SWAT CCPG SSPG subregional level.

A. Overview

The NV Energy, Inc. Operating Companies are party to the WestConnect STP Project Agreement (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ or the SPPC OASIS @) and is actively engaged in the SWAT planning group. The WestConnect footprint, which includes the regions covered by SWAT, CCPG and SSPG, encompasses the states of Arizona, Colorado, New Mexico, Nevada, and parts of California, Texas and Wyoming. The NV Energy, Inc. Operating Companies submit their transmission plans to its relevant subregional planning group, SWAT or SSPG, as required for inclusion in and coordination with SWAT's transmission plan. The NV Energy, Inc. Operating Companies participate in the SWAT or SSPG planning process to ensure that the NV Energy, Inc. Operating Companies' data and assumptions are coordinated with the SWAT or SSPG subregional plan. The WestConnect planning manager will ensure that the SWAT and SSPG transmission plans are coordinated with the CCPG plan to produce the WestConnect Transmission Plan.

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

1. **SWAT's Role.** SWAT is tasked with bringing transmission planning information together and sharing updates on active projects within the Southwest subregion. The SWAT subregional transmission planning group provides an open forum where any stakeholder interested in the planning of the transmission system in the SWAT footprint, including sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources, can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. SWAT neither conducts nor has a role in conducting economic planning studies.
2. **SWAT Participation.** The SWAT subregional planning group is comprised of transmission providers, transmission users, transmission operators, state regulatory entities and environmental entities. Membership is voluntary and open to all interested stakeholders, including sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources. The NV Energy, Inc. Operating Companies will participate in SWAT and relevant SWAT subcommittees and work groups and will submit its Ten Year Transmission Plan to the relevant work groups.

- NVE's Ten Year Transmission Plan will then be incorporated within the SWAT subregional transmission plan in accordance with the WestConnect STP Project Agreement (see the [Attachment K Hyperlinks List](#) in the OATT section of the NPC OASIS @ or the SPPC OASIS @). The NV Energy, Inc. Operating Companies will incorporate any applicable information, data or study results from SWAT into the NVE planning process.
3. ~~Subregional Coordination through SWAT.~~ The goal of SWAT is to promote subregional planning and transmission development in the Desert Southwest and to ensure that all of the individual transmission plans are coordinated in order to maximize use of the existing transmission system and identify the transmission expansion alternatives that most effectively meet future needs. The SWAT subregional planning group includes six main geographically based subcommittees and two footprint wide subcommittees, which are overseen by the SWAT oversight committee. The subcommittee study groups provide an open forum for entities, including sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources, to address transmission planning issues within their geographic areas. (see the [Attachment K Hyperlinks List](#) in the OATT section of the NPC OASIS @ or the SPPC OASIS @)
 4. ~~SWAT Provides a Forum for Project Sponsors.~~ The SWAT subregional transmission planning group and its subcommittees provide an open forum for: (i) stakeholders to participate in the planning of the transmission system in the SWAT footprint, obtain information regarding base cases, plans and projects, and provide input and/or express their needs as they relate to the transmission system; (ii) project sponsors, including sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources, to introduce their specific projects to interested stakeholders and potential partners; and (iii) initiation of joint studies of these projects, coordination with other projects, and project participation, including ownership from other interested parties.
 5. ~~SWAT's Subregional Open Planning Meetings.~~ Each WestConnect party is a signatory to the WestConnect STP Project Agreement, which sets forth the parties' responsibilities to participate in the SWAT, CCPG and/or SSPG subregional planning groups, as appropriate. The STP Project Agreement is also open for participation by other transmission providers within the WestConnect footprint. SWAT, CCPG and SSPG are also developing charter and/or governance requirements for their respective planning groups. The responsibilities of the NV Energy, Inc. Operating Companies and other WestConnect parties under the STP Project Agreement and the subregional planning group charters are generally as follows:
 - a. ~~To provide funding, procure manpower and other goods and services to support the subregional transmission planning efforts of the planning groups active within the WestConnect footprint, coordinate such planning efforts with other subregional planning groups within the Western Intereconnection and with WECC TEPPC, and produce and submit for approval an annual WestConnect Ten Year Transmission Plan.~~

- ~~b. To utilize and make available to all study participants the planning standards, objectives, assumptions and base cases developed through stakeholder processes by SWAT, CCPG and SSPG for subregional transmission planning. The base cases will include all previously assumed facilities and agreed upon additions for the baseline scenario.~~
 - ~~c. To develop and submit to SWAT, CCPG and/or SSPG, as appropriate, a minimum 10-year expansion plan for each WestConnect party's respective transmission system consistent with the planning objectives and planning standards, including plans for addressing all currently identified or projected system needs.~~
 - ~~d. To participate in the subregional planning processes conducted by SWAT, CCPG and/or SSPG, by giving input and commenting on policy issues, objectives, study scope, assumptions and methodologies, and alternatives for consideration in the planning and study process.~~
 - ~~e. To evaluate a broad range of assumptions and alternatives that have been developed through stakeholder processes for incorporation in the SWAT, CCPG and/or SSPG study plans.~~
- ~~6. Customer Involvement in SWAT. Customers and stakeholders wishing to participate in the planning processes for the transmission system in the Desert Southwest should engage the SWAT subregional planning group. The NV Energy, Inc. Operating Companies will assist customers and stakeholders interested in becoming involved in the transmission planning process, including sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources, through direction to appropriate contact persons and websites. All customers and stakeholders should notify SWAT beforehand and bring their plans for future generators, demand resources, loads or transmission service to the SWAT planning meetings.~~
- ~~7. Customer Involvement in SSPG. Customers and stakeholders wishing to participate in the planning processes for the transmission system in the SSPG subregion should engage the SSPG subregional planning group. The NV Energy, Inc. Operating Companies will assist customers and stakeholders interested in becoming involved in the transmission planning process, including sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources, through direction to appropriate contact persons and websites. All customers and stakeholders should notify SSPG beforehand and bring their plans for future generators, demand resources, loads or transmission service to the SSPG planning meetings.~~
- ~~8. Meeting Agendas. The NV Energy, Inc. Operating Companies will work with SWAT and WestConnect to ensure that the meeting agendas for SWAT, WestConnect, The NV Energy, Inc. Operating Companies and any other planning meetings scheduled in conjunction with the SWAT meetings are sufficiently detailed, posted on the WestConnect website at (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ or the SPPC OASIS @), and circulated to the appropriate~~

~~distribution list(s) in advance of the meetings in order to allow transmission customers and stakeholders the ability to choose their meeting attendance most efficiently.~~

~~C. SSPG's Role in the Subregional Transmission Planning Process~~

~~The SSPG Subregional Transmission Planning Process is new and may change as the group grows and develops. A general overview is as follows:~~

- ~~1. SSPG is tasked with bringing transmission planning information together and sharing updates on active projects. The SSPG subregional planning group provides an open forum where any stakeholder interested in the planning of the transmission system in the SSPG footprint which includes northern California and northern Nevada can go to obtain information regarding base cases, plans, and projects and to provide input or express their needs as they relate to the transmission system.~~
- ~~2. The SSPG subregional planning group is comprised of transmission providers, transmission users, transmission operators, state regulatory entities and environmental entities to participate. Membership is voluntary and open to all interested transmission owners interested in the SSPG footprint.~~
- ~~3. The goal of SSPG is to promote subregional planning and transmission development in the northern California and northern Nevada area to ensure that all of the individual transmission plans are coordinated in order to maximize use of the existing transmission system and identify the transmission expansion alternatives that most effectively meet future needs. All meetings are started with the following statement:

"This is an open meeting to share public information on transmission planning in the Sierra Subregional Planning Group footprint. Please refrain from any commercial discussion on energy sales, pricing, or availability before, during or after this meeting."~~
- ~~4. SSPG also provides a forum for project sponsors to introduce their specific projects to interested stakeholders and potential partners and allows for joint study of these projects, coordination with other projects, and project participation including ownership from other interested parties. Project sponsors have the option to hold their own project meetings separate from SSPG if they desire.~~
- ~~5. Customers and stakeholders wishing to participate in the planning processes for the transmission system in the northern California or northern Nevada area should engage the SSPG subregional planning group. The NV Energy, Inc. Operating Companies will assist customers and stakeholders interested in becoming involved in the transmission planning process through direction to appropriate contact persons and websites. All customers and stakeholders should submit their plans for future generators, loads, or transmission service prior to the SSPG planning meetings. Additionally, all materials will be posted, open and public, on the WestConnect web site.~~

~~D. WestConnect's Role in SWAT and the Subregional Transmission Planning Process~~

- ~~1. WestConnect STP Project Agreement. Each WestConnect party is a signatory to the West Connect STP Project Agreement (see the [Attachment K Hyperlinks List](#) in the~~

- ~~OATT section of the NPC OASIS @ or the SPPC OASIS @), which formalizes the parties' relationships and establishes obligations among the signatory transmission providers to coordinate subregional transmission planning among the WestConnect participants and the subregional planning groups (SWAT, CCPG, SSPG), participate in the SWAT, CCPG and/or SSPG, as appropriate, and produce a WestConnect Transmission Plan. The WestConnect STP Project Agreement is also open for participation by other non-WestConnect transmission providers that participate in the transmission planning activities of SWAT, CCPG, SSPG or any other subregional transmission planning group that may form within the WestConnect footprint.~~
- ~~2. WestConnect Objectives and Procedures for Regional Transmission Planning. Under the WestConnect Objectives and Procedures for Regional Transmission Planning, the NV Energy, Inc. Operating Companies, along with the other WestConnect STP Project Agreement participants, agree to work through the SWAT, CCPG and SSPG planning processes to integrate its transmission plan with the other WestConnect participant transmission plans into one ten-year regional transmission plan for the WestConnect footprint by, among other activities:~~
- ~~a. Actively participating in the subregional transmission planning processes, including submitting its respective expansion plan, associated study work and pertinent financial, technical and engineering data to SWAT to support the validity of the NV Energy, Inc. Operating Companies' plan;~~
 - ~~b. Coordinating, developing and updating common base cases to be used for all study efforts within the SWAT, CCPG and SSPG planning groups and ensuring that each plan adheres to the common methodology and format developed jointly by WestConnect subregional planning groups for this planning purpose;~~
 - ~~c. Providing funding for the WestConnect STP Project Agreement planning management functions pursuant to the WestConnect STP Project Agreement;~~
 - ~~d. Retaining an independent facilitator to oversee the WestConnect STP Project Agreement process, ensure comparability among the subregional processes and perform the study work required to pull all the plans together;~~
 - ~~e. Maintaining a regional planning section on the WestConnect website where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted; and~~
 - ~~f. Posting detailed notices on all SWAT, CCPG and SSPG meeting agendas on the WestConnect website. (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ or the SPPC OASIS @)~~
- ~~3. WestConnect hosts two open public stakeholder meetings for transmission planning per year, one in the 1st Quarter and one in the 4th Quarter. See Section III. B. 8 above.~~
- ~~4. WestConnect Role in Economic Planning. WestConnect will provide advice, on an as-needed basis, to TEPPC regarding prioritizing regional economic planning study~~

~~requests and potential clustering of requested regional economic planning studies, if those studies involve facilities in the WestConnect footprint. WestConnect will not conduct economic planning studies.~~

~~E. Quarterly Schedule of Subregional and Local Transmission Planning Meetings~~

~~The NV Energy, Inc. Operating Companies will coordinate with SWAT and SSPG in order to assure that quarterly meetings are timed in order to allow projects to escalate from local to regional councils in a timely fashion.~~

~~The proposed focus of the SWAT meetings, WestConnect transmission planning meetings and the NV Energy, Inc. Operating Companies public planning meetings will be:~~

~~1st Quarter Meetings~~

~~SWAT Meeting:~~

- ~~• Approve the final SWAT report for the previous year's study work.~~
- ~~• Approve SWAT study plans for the new year.~~

~~SSPG Meeting:~~

- ~~• Approve the final SSPG report for the previous year's study work and the study plan for the new year.~~
- ~~• Transmission providers submit their Ten Year Transmission Plans for inclusion in the new year study plan.~~
- ~~• Formally invite customers' and stakeholders' review, comment, advice and transmission study requests for the SSPG transmission planning process.~~

~~WestConnect Planning Annual Meeting. (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ or the SPPC OASIS @)~~

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

2nd Quarter Meetings

SWAT Meeting:

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

The NV Energy, Inc. Operating Companies Planning Stakeholder Meeting:

- The NV Energy, Inc. Operating Companies review their transmission planning process and current study plan with customers and stakeholders, and request their review, comment and advice on any aspect of their transmission planning process. Additionally, the NV Energy, Inc. Operating Companies review information on loads, resources and other needs received by March 31 from their customers and stakeholders.

3rd Quarter Meetings

SWAT and SSPG Meeting:

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

4th Quarter Meetings

SWAT Meeting:

- Present draft SWAT report for approval with modifications.
- Specifically invite the submittal of transmission study requests from stakeholders for inclusion in their respective study plans.

WestConnect Planning Workshop:

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

- ~~TEPPC~~
- ~~Other subregional planning groups~~
- ~~Stakeholders at large~~
- ~~Draft the WestConnect Ten Year Transmission Plan.~~
- ~~Draft the WestConnect Transmission Planning Study Report.~~

~~SSPG Meeting.~~

- ~~Review economic study requests.~~
- ~~Present Ten Year Transmission Plans for stakeholder review and comment;~~
- ~~SSPG specifically invites the submittal of transmission study requests from stakeholders for inclusion in their respective study plans.~~

~~IV. COORDINATION AT THE WESTERN INTERCONNECTION LEVEL~~

~~The NV Energy, Inc. Operating Companies will coordinate their plan on a west-wide regional basis through SWAT, SSPG, and WestConnect. WestConnect will coordinate its subregional plan with the other subregional plans in the Western Interconnection and at the TEPPC level.~~

~~Procedures For Regional Planning Project Review~~

~~As a member of WECC, the NV Energy, Inc. Operating Companies participates in the WECC transmission planning process and coordinates with WECC with respect to reliability planning.~~

1. ~~WECC Coordination Of Reliability Planning~~
 - a. WECC develops the Western Interconnection-wide data bases for transmission planning analysis such as power flow, stability and dynamic voltage stability studies.
 - b. WECC also maintains a data base for reporting the status of all planned projects throughout the Western Interconnection.
 - c. WECC provides for coordination of planned projects through its Procedures for Regional Planning project review.
 - d. WECC's path rating process ensures that a new project will have no, ~~or mitigate,~~ adverse ~~reliability~~ effect on existing projects.
2. ~~WECC TEPPC Open Stakeholder Meetings.~~ ~~Western Interconnection-wide economic planning studies are conducted by the WECC TEPPC in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. The WECC TEPPC Transmission Planning Protocol, including the TEPPC procedures for prioritizing and completing regional economic studies, is posted on the WECC website (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ or the SPPC OASIS @). NV Energy, Inc. Operating Companies participate in the region-wide transmission planning process, as appropriate, to ensure data and assumptions are coordinated.~~
3. ~~Role Of WECC TEPPC.~~ ~~WECC TEPPC provides two main functions in relation to the NV Energy, Inc. Operating Companies' planning process:~~
 - a. ~~Development and maintenance of the west-wide economic planning study database.~~
 - i. ~~TEPPC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.~~
 - ii. ~~TEPPC's database is publicly available for use in running economic congestion studies. For an interested customer or stakeholder to utilize WECC's Pro-Mod planning model, it must comply with WECC confidentiality requirements.~~
 - b. ~~Performance of economic planning studies.~~ ~~TEPPC has an annual study cycle, described in the WECC TEPPC Transmission Planning Protocol (see the~~

~~Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ or the SPPC OASIS @), during which it will update databases, develop and approve a study plan that includes studying customer and stakeholder high priority economic study requests as determined by the open TEPPC stakeholder process, perform the approved studies and document the results in a report.~~

VE. Cost Allocation For New Projects

1. The NV Energy, Inc. Operating Companies will utilize a case-by-case approach to allocate costs for new transmission projects. This approach will be based on the following principles:

i. Solicitation of Interest

The NV Energy Operating Companies may elect to conduct a solicitation of interest for certain projects. Upon a determination by the NV Energy Operating Company to hold a solicitation of interest for a transmission project, the NV Energy Operating Company will:

- a. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
- b. Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.
- c. Post information via WECC's planning project review reports.
- d. Develop the initial transmission project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements, subject to FERC approval.

ii. Allocation of Costs

a. Proportional Allocation

For any project entered into pursuant to a solicitation process, project costs and associated transmission rights will generally be allocated proportionally to project participants subject to a negotiated participation agreement. In the event the process results in a single participant, the full cost and transmission rights will be allocated to that participant.

b. Economic Benefits or Congestion Relief

For any project wholly within the NV Energy, Inc. Operating Companies' local system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.

c. NV Energy, Inc. Operating Companies' Rate Recovery

Notwithstanding the foregoing provisions, the NV Energy, Inc. Operating Companies will not assume cost responsibility for any project if the cost of the project is not approved for recovery in its retail and/or wholesale rates.

iii. Exclusions

The cost for projects undertaken in connection with requests for generator interconnection or transmission service on the NV Energy, Inc., Operating Companies' systems are governed by the NV Energy, Inc., Operating Companies' OATT and will not be subject to the provision of this Attachment K.

III. WESTCONNECT ORDER NO. 1000 REGIONAL TRANSMISSION PLANNING PROCESS

A. Overview

The NV Energy, Inc. Operating Companies participate in the WestConnect regional transmission planning process (“Regional Planning Process”) established to address the transmission planning principles set forth in Order No. 890 and carried forward in FERC’s Transmission Planning and Cost Allocation by Transmission Owning and Operating Utilities, 136 FERC ¶ 61,051 (2011), et al. (Order No. 1000).

The role of WestConnect’s Order No. 1000 Regional Planning Process is to produce a regional transmission plan (“Regional Plan”) and provide a process for evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment K and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual (“WestConnect Business Practice Manual”), as may be amended from time to time, available on the WestConnect website.

The NV Energy, Inc. Operating Companies are currently parties to the WestConnect Subregional Transmission Planning Project Agreement (“WestConnect STP Project Agreement”) (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>) and are actively engaged in the SWAT and SSPG planning groups. The WestConnect Planning Region is defined by the interconnected transmission owners and providers enrolled in the WestConnect Regional Planning Process. The service areas of the transmission owners and providers consist of all or portions of nine states: Arizona, California, Colorado, Nebraska, New Mexico, Nevada, South Dakota, Texas, and Wyoming.

Following the last effective date of the NV Energy Inc. Operating Companies’ Order No. 1000 compliance filing, the WestConnect members shall terminate or supercede the WestConnect STP Project Agreement and will establish a WestConnect Order No. 1000 regional transmission planning management committee (“Planning Management Committee”). The Planning Management Committee will be responsible for administering the WestConnect Regional Planning Process.

In conjunction with the termination of the WestConnect STP Agreement, the WestConnect members, in consultation with interested stakeholders, will establish a separate project agreement (the “Planning Participation Agreement”) to permit interested stakeholders to participate in the WestConnect Order 1000 regional transmission planning process. Although, the WestConnect Regional Planning Process is open to the public, any participant/stakeholder interested in having a voting right in decisions related to the Regional Planning Process will be required to execute the Planning Participation Agreement and any necessary confidentiality agreements. The Planning Management Committee will implement a stakeholder developed Regional Planning Process, which will result in a Regional Plan for the ten-year transmission planning horizon.

1. WestConnect Planning Participation Agreement

Each WestConnect party will be a signatory to the Planning Participation Agreement, which formalizes the parties' relationships and establishes obligations among the signatory transmission providers to coordinate regional transmission planning among the WestConnect participants and the local transmission planning processes, and produce a Regional Plan. The Planning Participation Agreement is also open for participation by other non-WestConnect transmission providers that participate in the Regional Planning Process.

2. Enrollment

WestConnect has two types of members: (i) Transmission Owners that join the WestConnect Planning Region in order to comply with Order 1000 planning requirements and (ii) stakeholders who wish to have voting input in to the methodologies, studies, and decisions made in the execution of those requirements.

a. Joining the WestConnect Planning Region

A Transmission Owner with a Load Serving Obligation that wishes to join the WestConnect Planning Region may do so by executing the Planning Participation Agreement and paying its share of costs as provided for in the Planning Participation Agreement.

A Stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement and paying annual dues as outlined therein.

b. Exiting the WestConnect Planning Region

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

Should a Stakeholder wish to exit the WestConnect Planning Region, it may do so by providing notice in accordance with the Planning Participation Agreement. Withdrawing Stakeholders will forfeit any monies or dues paid to the Planning Management Committee and agree to remit to the Planning Management Committee any outstanding monies owed to WestConnect prior to their withdrawal being considered official.

To the extent a WestConnect Planning Region member is allocated costs through a voluntary cost-sharing arrangement to support a Planning Management Committee-approved regional project, following its exit from the WestConnect Planning Region that member will remain responsible for its portion of those project costs in accordance with the terms of the relevant voluntary cost-sharing arrangement for that project.

c. List of Enrolled Entities

A list of entities enrolled in the Regional Planning Process is maintained on the WestConnect website and included in the WestConnect Business Practice Manual.

B. WestConnect Objectives and Procedures for Order No. 1000 Regional Transmission Planning

The Regional Planning Process will produce a regional transmission plan that complies with existing Order No. 890 principles and carried forward in FERC's Order No. 1000:

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

Pursuant to the WestConnect Objectives and Procedures for Regional Transmission Planning, the NV Energy, Inc. Operating Companies, along with the other Planning Participation Agreement signatories, will work through the regional planning group processes, as applicable, to integrate their transmission plans into a single ten year regional transmission plan for the WestConnect footprint by:

- a. Actively coordinating development of the regional transmission plan, including incorporating information, as appropriate, from all stakeholders;
- b. Coordinating, developing and updating common base cases to be used for all study efforts within the Regional Planning Process and ensuring that each plan adheres to the methodology and format developed for the Regional Plan;
- c. Providing funding for the Regional Planning Process and all planning management functions pursuant to the Planning Participation Agreement;
- d. Maintaining a regional planning section on the WestConnect website where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted; and
- e. Posting detailed notices of all regional and local planning meeting agendas on the WestConnect website.

C. Cost Allocation Methodology in WestConnect Order No. 1000 Regional Transmission Planning Process

In compliance with the requirements of FERC Order 1000 WestConnect has established a cost allocation process for regional transmission projects selected in the WestConnect regional planning process for cost allocation. Allocation of project costs shall be based on the benefits received in accordance with the following cost allocation principles:

- Cost assignments must be commensurate with estimated benefits;
- Those that receive no benefits must not be involuntary assigned costs;
- Should a benefit to cost threshold be used it cannot be so high that projects with significant benefits are excluded. (Cannot be above 1.25 without FERC approval);
- Costs must be allocated solely within the region unless other voluntarily assumes costs;
- Cost allocation method and data must be transparent and with adequate documentation;
- May use different cost allocation methods for different types of projects.

D. Roles in the Regional Transmission Planning Process

1. WestConnect Role

WestConnect is responsible for bringing regional transmission planning information together and sharing updates on active projects. WestConnect provides an open forum where any Stakeholder interested in the planning of the regional transmission system in the WestConnect footprint can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. On a biennial basis and in coordination with its members, Transmission Owners, and other interested stakeholders, WestConnect shall develop the WestConnect Regional Transmission Plan.

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

2. Stakeholder Participation and Assistance

Stakeholders may participate in the Regional Planning Process by any one or more of the following ways: (a) joining one of five WestConnect regional transmission planning membership sectors described below; (b) by attending publicly-posted WestConnect regional transmission planning Stakeholder meetings; and/or (c) by submitting project proposals for consideration and evaluation in the Regional Planning Process. Attendance at meetings is voluntary and open to all interested Stakeholders. These meetings will include discussion of models, study criteria and assumptions, and progress updates. Formal participation, including voting as allowed by the process, can be achieved through payment of applicable fees and annual dues in accordance with the Planning Participation Agreement. Transmission Owners with a Load Serving Obligation will not be responsible for annual dues because Transmission Owners with a Load Serving Obligation will be the default source of monies to support WestConnect activities beyond dues paid by other organizations.

WestConnect members shall assist Stakeholders interested in becoming involved in the Regional Planning Process by directing them to appropriate contact persons and websites. (See the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>). All Stakeholders are encouraged to bring their plans for future generators, loads or transmission services to the WestConnect planning meetings. Each transmission planning cycle shall contain a period during which project ideas are accepted for potential inclusion in that cycle's Regional Plan.

3. Forum for Evaluation

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

4. Stakeholder Meetings

WestConnect shall hold open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the Planning Management Committee with 30 days advance notice to update

Stakeholders about its progress in developing the WestConnect regional transmission plan and to solicit input regarding material matters of process related to the Regional Plan. Notice for such meetings shall be posted on the WestConnect website and via email to the WestConnect Regional Planning Process email distribution list.⁵

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

5. WestConnect Regional Planning Process Governance

a. Membership Sectors

The Regional Planning Process shall be governed by the Planning Management Committee, which shall be tasked with executing the WestConnect regional transmission planning process and shall have authority for approving the regional transmission plan. The Planning Management Committee shall be comprised of five stakeholder sectors

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

Except for members qualified to join the Transmission Owners with Load Serving Obligation sector, any entity may join any membership sector for which it qualifies but may only participate in one membership sector. Qualified transmission owners may only join the Transmission Owners with Load Serving Obligations membership sector.

b. Planning Management Committee

The Planning Management Committee shall be empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities. All actions of the Planning Management Committee (including approval of the Regional Plan) shall be made possible by satisfying either of the following requirements:

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

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

Consistent with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder's project to qualify for a project submittal for purposes of cost allocation. The data necessary for any

4. The WestConnect website is located at <http://www.westconnect.com>.

project submitted shall be listed in the WestConnect Transmission Planning Business Practice Manual.

1. Transmission Customers

Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect member's local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the WestConnect process to submit data directly to the WestConnect stakeholder process. This data may include, but is not limited to load forecasts, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

Adequate advance notice shall be given for customers to submit any required data and data submissions shall generally be able to be made via email or by posting information to a designated website.

2. Independent Transmission Developers and Owners

Transmission Developers are entities with project ideas they wish to submit into the Regional Planning Process. These may include projects that the developer wishes to be considered for regional cost allocation.

Each regional transmission planning cycle shall include a submission period for project ideas as described below. Notice of the submission period shall be posted on the WestConnect website and shall also be made via email to WestConnect stakeholders. The submission period shall last for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the regional planning process may do so.

3. Merchant Transmission Developers

Merchant Transmission Developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation purposes. Nonetheless, coordination between merchant projects and the regional transmission planning process is necessary to effect a coordinated regional transmission plan that considers all system needs.

Each regional transmission planning cycle shall include a submission period for project ideas as described below. Notice of the submission period shall be posted on the WestConnect website and shall also be made via email to WestConnect stakeholders. The submission period shall last for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect transmission system shall be asked to provide certain project information.

The data required of merchant transmission developers shall be listed in the WestConnect Transmission Planning Business Practice Manual.

4. Transmission Owners with Load Serving Obligation

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

At the beginning of each regional transmission planning cycle, Transmission Owners that are participating in the Regional Planning Process shall be responsible for verifying the accuracy of any data (including, but not limited to system topology and project proposal information) they have previously submitted. Transmission Owners shall also be required to submit all relevant

data for any new projects being proposed for inclusion in the regional transmission plan for purposes of cost allocation in accordance with the Section below. Transmission Owners shall also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the WestConnect Regional Transmission Plan models, but such submittals shall not constitute an obligation or proposal to build, but shall be submitted for informational and studying purposes only.

5. Transmission Project Submittals Seeking Cost Allocation

The following criteria must be satisfied in order for a project submittal to be evaluated for purposes of cost allocation under the Regional Planning Process:

- Submitting entity contact information
- Explanation of how the project is a more efficient or cost effective solution to regional transmission needs
- A detailed project description including, but not limited to, the following:
 - Scope
 - Points of interconnection to existing (or planned) system
 - Operating Voltage and Alternating Current or Direct Current status
 - Circuit Configuration (Single, Double, Double-Circuit capable, etc.)
 - Impedance Information
 - Approximate circuit mileage
- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost
- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- If seeking cost allocation through WestConnect, a \$25,000 fee to support the cost of relevant study work
- Comparison Risk Score from WECC Environmental Data Task Force, if available

An open submission period for project proposals to address identified regional needs will be conducted during the fourth calendar quarter of the regional transmission planning cycle. Notice of the submission period will be posted on the WestConnect website and will also be made via email to WestConnect Stakeholders. The submission period will last for no less than thirty (30) days. Proposals submitted outside that window will not be considered. The Planning Management Committee will have the authority to determine the completeness of a project submittal. Project submittals deemed incomplete will be granted a reasonable opportunity to cure any deficiencies identified in writing by the Planning Management Committee.

Any Stakeholder wishing to present a project idea shall be required to submit the data listed above for the project to be considered in the Regional Planning Process. Should the submitting

Stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. The Planning Management Committee retains the sole authority for determining completeness of the information submittal. After the completion of the project submittal period, WestConnect will post a document on the WestConnect website detailing why any projects were rejected as incomplete. Upon posting of the document, any project submittal rejected as incomplete will be given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of the Planning Management Committee in its sole discretion.

6. Submission of Non-Transmission Alternative Projects

Any Stakeholder may submit projects proposing non-transmission alternatives for evaluation under the Regional Planning Process. The following criteria must be satisfied in order for a non-transmission alternative project submittal to be evaluated under the Regional Planning Process:

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

As with entities submitting a transmission project, those who submit a non-transmission alternative under the Regional Planning Process must adhere to and provide the same or equivalent information and the same submittal fees as transmission alternatives, as described above. Although non-transmission alternative projects will be considered, they are not eligible for regional cost allocation.

7. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. WestConnect will develop and publish a Regional Plan every other year, with the first Regional Plan to be produced no earlier than two calendar years (and no later than three calendar years) following final Commission action on the Order No. 1000 compliance filings of all jurisdictional public utility Transmission Owners who formally enroll in the WestConnect Planning Region

F. Overview of Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs and more efficient or cost-effective solutions to satisfy those needs. Consistent with Order No. 890, qualified projects timely submitted through the Regional Planning Process will be evaluated and selected from competing solutions and resources such that all types of resources, as described below, are considered on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder proposing them.

G. WestConnect Reliability Planning Process

All WestConnect Transmission Owners with Load Serving Obligation shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans will be included in the Regional Plan base case system models. The base case system models will then be checked for adherence to the relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria as outlined in the Business Practice Manual.

The Regional Plan will identify projects to resolve any remaining violations of relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria. In addition, an opportunity will be afforded any interested party to propose regional reliability projects that replace components of multiple Transmission Owners' local transmission plans, provided they are found to be more efficient or cost effective to other proposed solutions. The Regional Planning Process will then identify the most appropriate transmission project, taking into account factors such as project feasibility, how long the project would take to complete and the timing of the need. Because local Transmission Owners are ultimately responsible for compliance with NERC Reliability Standards, the Regional Planning Process will secure the approval of the local Transmission Owner before modifying their local transmission plan.

H. WestConnect Economic Planning Process

As part of the Regional Planning Process, WestConnect will analyze projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to the WestConnect Planning Region. WestConnect will analyze economic projects upon a WECC Board-approved recommendation to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that has subsequently been validated by WestConnect. Additional projects may also be proposed by WestConnect Stakeholders or developed through the Stakeholder process for evaluation of economic benefits.

The WestConnect economic planning process will analyze benefits via detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost and system congestion.

The WestConnect economic planning process will also consider the value of decreased reserve sharing requirements in its development of a plan that is more efficient or cost effective.

I. WestConnect Public Policy Planning Process

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

As part of the Regional Planning Process, WestConnect will analyze projects that have the potential to aid in meeting transmission needs driven by public policy requirements, as they may be established. During the initial stages of each regional transmission planning cycle, WestConnect Stakeholders will review enacted public policy requirements and determine which transmission needs will be included in the modeling for that cycle.

At a minimum, any transmission needs driven by enacted state or federal public policy requirements will be included in the transmission system models underlying the development of

the Regional Plan. Transmission needs driven by proposed public policy requirements may be evaluated in the scenario planning analysis if time and resources permit.

2. Procedures for Evaluating Solutions to Identified Transmission Needs

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

3. Posting of Public Policy Needs

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

J. Consideration of Non-Transmission Alternatives

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

K. Approval of the WestConnect Regional Plan

Upon completion of the studies and stakeholder input, the Planning Management Committee will vote to approve the Regional Transmission Plan. The Regional Plan will document why projects were either included or not included in the regional plan. Projects that meet system needs are incorporated into the Regional Plan.

L. Reevaluation of the WestConnect Regional Plan

The Planning Management Committee is responsible for determining, during each planning cycle, when and if projects are to be reevaluated. Any project that is reevaluated according to the criteria below may also be subject to modification of its status as a project selected for cost allocation, with any costs reallocated under Section N as if it were a new project. Projects subject to reevaluation include, but are not limited to:

- Projects that are delayed and fail to meet their submitted in-service date by more than 2 years;
- Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations;
- Projects with any change in participatory or cost allocation entities that result in a project that is not fully funded; and

- Projects with a change in the calculation of benefits or benefit/cost (B/C) ratio

Projects not subject to reevaluation include, but are not limited to, the following:

- Local or single system transmission projects that have been identified in individual transmission owners' transmission planning (TPL) assessments to mitigate reliability issues;
- Planned transmission system upgrades to existing facilities; and
- Projects that have been approved by WestConnect in previous planning cycles unless agreed upon by the beneficiaries identified in the approved project.

Projects meeting any of the following criteria prior to the last effective date of the WestConnect FERC-jurisdictional Transmission Owners' Order No. 1000 compliance filings will also not be subject to reevaluation under the Regional Planning Process:

- Projects that have received approval through local or state regulatory authorities or board approval;
- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of the last effective date of the FERC-jurisdictional Transmission Owners' Order No. 1000 compliance filings.

M. Confidential or Proprietary Information

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

N. Cost Allocation

The WestConnect Regional Transmission Planning Process adopts the cost allocation framework established below. This framework ensures that for projects located in the WestConnect Region, costs are allocated only to those that benefit. Specifically, the WestConnect Region shall consider the following projects eligible for cost allocation consideration as further described below based on specified criteria:

- (1) Reliability Projects;
- (2) Economic or Congestion Relief Projects; or
- (3) Public Policy Projects.

a. Local Transmission Projects

Local Transmission Projects are projects located within a Transmission Owner's retail distribution service territory or footprint unless such projects are submitted and selected in the Regional Plan for purposes of cost allocation. A Transmission Owner is not precluded from proposing Local Transmission Projects for inclusion in the Regional Plan for purposes of cost allocation in the Regional Planning Process. Otherwise, A Local Transmission Project that is not submitted and **or not** selected for inclusion in the Regional Plan is not eligible for cost allocation in the Regional Plan, and not subject to the provisions governing regional cost allocation set forth below.

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

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

b. Regional Allocation of Costs

For any project determined by the Planning Management Committee to be eligible for regional cost allocation, project costs and associated transmission rights will be allocated proportionally to those entities determined by the Planning Management Committee, as shown in the Regional Plan, to be beneficiaries of the project, subject to the beneficiaries' decision on whether and who agree to participate in such regional project.

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

- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits must not be involuntarily assigned costs.
- A benefit-to-cost threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded, as applicable.
- Costs must be allocated solely within the WestConnect Planning Region, unless other regions or entities outside the region voluntarily assume costs.
- Cost allocation method and data shall be transparent and with adequate documentation.
- Different cost allocation methods may be used for different types of projects.

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

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

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses, as specified herein, are eligible for cost allocation in the WestConnect Planning Region. The NV Energy Inc., Operating Companies encourage all interested Stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation assessment. Summary provisions are provided below:

1. Allocation of Costs for Reliability Projects

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

All components of a Transmission Owner's local transmission plan shall be included in the Regional Plan and shall be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis shall be performed on the collective plans to ensure the combined plans adhere to all relevant NERC TPL Reliability Standards and Stakeholders shall be afforded an opportunity to propose projects that replace components of multiple Transmission Owner local plans as outlined in Section III.D above.

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

Should multiple utilities have separate reliability issues that are addressed most efficiently by a single project and the utilities approve the change to their local plans, that project shall be approved and the cost shall be shared by those utilities in proportion to the cost of alternatives that could be pursued by the individual utility to resolve the reliability issue.

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

$$\text{(A divided by B) times C equals D}$$

Where:

A is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant Transmission Owner's retail distribution service territory or footprint

B is the total cost of local reliability upgrades in the combination of Transmission Owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project

C is the total cost of the regional reliability project

D is the total cost allocated to the relevant Transmission Owner's retail distribution service territory or footprint

2. Allocation of Costs for Economic Projects

WestConnect shall establish a B/C ratio of 1.25 for a project to be considered economically-justified and receive cost allocation associated with economic projects. This B/C ratio shall be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures

that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

The WestConnect economic planning process shall consider production cost savings and reduction in reserve sharing requirements as economic benefits capable of contributing to the determination that a project is economically justified for cost allocation. Criteria for WestConnect's production cost simulations are contained in the Business Practice Manual.

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

$$(A \text{ divided by } B) \text{ times } C \text{ equals } D$$

Where:

_____ A _____ is the total projected present value of economic benefits for the relevant Transmission Owner's retail distribution service territory or footprint

_____ B _____ is the total projected present value of economic benefits for the entire project

_____ C _____ is the total cost of the economic project

_____ D _____ is the total cost allocated to the relevant Transmission Owner's retail distribution service territory or footprint

Any Transmission Owner's retail distribution service territory or footprint with benefits less than or equal to one percent of total project benefits shall be excluded from cost allocation.

3. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from legislated public policy requirements, as defined by the planning process, shall be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from public policy needs that are not legislated shall be reported by each entity for its own service territory; decisions on the inclusion of those needs shall be made during the consideration and approval of the system models. Transmission needs driven by public policy requirements shall be included in the evaluation of reliability and economic projects.

Any projects arising out of a need for transmission infrastructure to satisfy the public policy requirements shall be considered public policy projects. The costs of these projects shall be shared with the entities that shall access the resources enabled by the project in order to meet their public policy requirements.

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

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

$$\text{(A divided by B) times C equals D}$$

Where:

A is the number of megawatts of public policy resources enabled by the public policy project for the entity in question

B is the total number of megawatts of public policy resources enabled by the public policy project

C is the total project cost

D is the cost for the public policy project allocated to the entity in question

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

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

4. Combination of Benefits

In developing a more efficient and cost effective plan, it is possible for the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project shall be made through the WestConnect Stakeholder process; however, the value of economic benefits may only be considered in response to a WECC Board-approved recommendation to study congestion in the WestConnect footprint.

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

5. Allocation of Ownership and Capacity Rights

To the extent a project beneficiary elects to participate in a project approved for cost allocation in the Regional Transmission Plan, the beneficiary will receive transmission transfer capability on the project in exchange for transmission service payments. In addition, a project beneficiary with transfer capability on the project may resell the transfer capability. If the beneficiary makes direct capital contribution to the project construction cost, it shall receive an ownership percentage in proportion to their capital contribution.

6. Project Development Schedule

The WestConnect Planning Management Committee will not be responsible for choosing a developer for, or managing the development of, any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the Planning Management Committee will monitor the status of the project's development. If a transmission facility is selected for inclusion in the Regional Plan for purposes of cost allocation, the transmission developer of that transmission facility must submit a development schedule that indicates the required steps, such as the granting of state approvals, necessary to develop and construct the

transmission facility such that it meets the regional transmission needs of the WestConnect Planning Region. As part of the ongoing monitoring of the progress status of the transmission project once it is selected, the transmission owners and providers in the WestConnect Planning Region shall establish the dates by which the required steps to construct must be achieved that are tied to when construction must begin to timely meet the need that the project is selected to address. If such required steps have not been achieved by those dates, then the transmission owners and providers in the WestConnect Planning Region may remove the transmission project from the selected category and proceed with reevaluating the Regional Plan to seek an alternative solution.

O. No Obligation to Construct

The Regional Planning Process is intended to determine and recommend more efficient or cost-effective transmission solutions for the WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the planning process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct, any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment K or the Planning Participation Agreement or any cost allocation under the Business Practice Manual or the Planning Participation Agreement will (1) determine any transmission service to be received by, or any transmission usage by, any entity, (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage, (3) obligate any entity to implement or effectuate, or commit to implement or effectuate, any cost allocation, (4) obligate any entity to pay, or commit to pay, costs of any project or proposed project in accordance with any cost allocation, or (5) entitle any entity to recover for any transmission service or usage or to recover from any entity any cost of any transmission facilities, regardless of whether such transmission facilities are included in any plan. Without limiting the generality of the foregoing, nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement with respect to an Order No. 1000 cost allocation shall preclude WestConnect or any other entity from carrying out any of its statutory authorities or complying with any of its statutory obligations.

IV. RECOVERY OF PLANNING COSTS

Unless Transmission Provider allocates planning-related costs to an individual stakeholder as permitted under the ~~Tariff~~OATT, all costs incurred by the Transmission Provider related to the Local Transmission Plan process or the sub-regional or regional planning process shall be included in the Transmission Provider's transmission rate base.

VI. DISPUTE RESOLUTION PROCEDURES

For purposes of the NV Energy, Inc. Operating ~~Companies' regional~~Companies' transmission planning ~~process~~processes, the NV Energy, Inc. Operating Companies' and its Eligible Customers, as well as potential customers and stakeholders, participating in the planning

process shall follow the following dispute resolution procedures in the event of a dispute concerning Attachment K:

1. WECC. If the dispute is one that is within the scope of the WECC dispute resolution procedures, then such procedures contained in the WECC Business and Governance Guidelines and Policies (see the Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).
2. Non-WECC. For disputes not within the scope of the WECC dispute resolution procedures, the dispute resolution procedures set forth in Section 12 of the NV Energy, Inc. Operating Companies' OATT shall apply, with the added provision that upon agreement of the parties, any dispute that is not resolved by direct negotiation between or among the affected parties within a reasonable period of time, may be referred to mediation (before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the parties).
3. Notwithstanding anything to the contrary in this Section ~~VI~~, any affected party may refer either a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution at any time, for example by filing with FERC a complaint, a request for declaratory order or a change in rate.

~~VII. COST ALLOCATION USED FOR THE DEVELOPMENT, CONSTRUCTION, OWNERSHIP AND OPERATION OF BULK POWER FACILITIES~~

~~A. Projects Covered Under Existing OATT Cost Allocation Methodology~~

~~The cost for transmission projects undertaken in connection with requests for interconnection or transmission service including the designation of new Network Resources on the NV Energy, Inc. Operating Companies transmission system, which are governed by existing cost allocation methods within the NV Energy, Inc. Operating Companies' Tariff, will continue to be so governed and will not be subject to the principles of this Section IV.A.~~

~~B. The NV Energy, Inc. Operating Companies will utilize a case-by-case approach to allocate costs for new transmission projects. This approach will be based on the following principles:~~

~~1. Open Season Solicitation of Interest~~

~~For any transmission project identified in an NV Energy, Inc. Operating Companies reliability or economic planning study in which one of the NV Energy, Inc. Operating Companies is the project sponsor, the NV Energy Operating Company may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination by the NV Energy Operating Company to hold an open season solicitation of interest for a transmission project, the NV Energy Operating Company will:~~

- ~~a. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.~~
- ~~b. Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.~~
- ~~c. Post information via WECC's planning project review reports.~~
- ~~d. Develop the initial transmission project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.~~

~~2. NV Energy, Inc. Operating Companies Coordination within a Solicitation of Interest Process~~

~~The NV Energy, Inc. Operating Companies, whether as a project sponsor or a participant, will coordinate as necessary with any other participant or sponsor, as the case may be, to integrate into the NV Energy, Inc. Operating Companies' transmission project plan any other planned project on or interconnected with the NV Energy, Inc. Operating Companies' transmission system.~~

~~3. NV Energy, Inc. Operating Companies Projects without a Solicitation of Interest~~

~~The NV Energy, Inc. Operating Companies may elect to proceed with small and/or reliability transmission projects without an open season solicitation of interest, in which case the NV Energy, Inc. Operating Companies will proceed with the project pursuant to~~

~~its rights and obligations as a Transmission Provider.~~

~~4. Allocation of Costs~~

~~a. Proportional Allocation~~

~~For any transmission project entered into pursuant to an open season solicitation process, project costs and associated transmission rights will generally be allocated proportionally to project participants subject to a negotiated participation agreement. In the event the open season process results in a single participant, the full cost and transmission rights will be allocated to that participant.~~

~~b. Economic Benefits or Congestion Relief~~

~~For a transmission project wholly within the NV Energy, Inc. Operating Companies local transmission system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.~~

~~c. NV Energy, Inc. Operating Companies' Rate Recovery~~

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

For any questions about this process, please contact us at (775) 834-5875.

~~Attachment K: Exhibit 1~~
~~Flow Chart~~