



# Regional Planning and Cost Allocation Practice

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# Regional Planning and Cost Allocation Practice

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## I. PREFACE

### 1.0 Introduction

The Northern Tier Transmission Group (“NTTG”)<sup>1</sup> began in 2007 as an outgrowth of earlier regional<sup>2</sup> transmission coordination efforts and as an extension of the transmission planning and stakeholder participation processes of transmission providers in the NTTG footprint (or combined transmission providers’ service territories). The planning effort leading to NTTG’s formation was molded to meet the requirements of Federal Energy Regulatory Commission (“FERC”) Order 890, issued in 2007. NTTG’s transmission providers complied with the Commission’s requirement by amending their respective FERC tariffs to include an Attachment K that met Order 890’s nine planning principles at the local and regional levels. In 2011, FERC issued Order 1000, amending Order 890 by requiring each transmission provider to participate in a regional transmission planning process that produces a regional transmission plan complying with transmission planning principles (“Regional Transmission Plan”).<sup>3</sup> The Commission determined that such regional transmission planning will expand opportunities for more efficient, cost-effective regional transmission solutions for transmission providers and stakeholders.

The participating utilities comprising NTTG are required to participate in a regional planning and cost allocation process, as established in the Attachment Ks of the respective utilities’ OATT. The participating utilities are committed to the NTTG regional planning and cost allocation process through various agreements implementing their respective Attachment K obligations. The framework of NTTG’s regional planning process is defined in the NTTG Planning Committee Charter. The charter bestows the Planning Committee with responsibility to “[p]rovide a forum where all stakeholders are encouraged to participate in the planning, coordination, and development of a more efficient and more cost effective Regional Transmission Plan.” The framework of NTTG’s cost allocation process is defined in the NTTG Cost Allocation Committee Charter, which provides the Cost Allocation Committee with responsibility to: “[a]pply the Cost Allocation principles and practices consistently, openly and fairly while developing cost allocation recommendations for transmission projects selected into the NTTG biennial plan.” The

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<sup>1</sup> NTTG is, in essence, a trade name for the collaborative efforts of those participating utilities and state representatives to implement NTTG charters and agreements.

<sup>2</sup> NTTG Transmission Providers’ Order 890 compliance filing used the term “sub-regional” to refer to NTTG and “regional” to refer to Western Electricity Coordinating Council’s (“WECC”). This document conforms to the FERC Order 1000 naming convention; as such NTTG is a region and WECC is the interconnection-wide entity.

<sup>3</sup> These regional planning principles are coordination, openness, transparency, information exchange, comparability, dispute resolution and economic planning studies.

Steering Committee governs the activities of the NTTG members. Specifically, the Steering Committee Charter provides that the Steering Committee:

*[Is] established to provide governance and direction on the initiatives undertaken by the [NTTG] members and approved by ... the Steering Committee, as set forth in [the] Steering Committee Charter. The Steering Committee is also established to provide a forum for facilitation of dispute resolution, to the extent agreed to by its member utilities.*

As part of the regional planning and cost allocation process established by the Planning, Cost Allocation, and Steering Committee Charters, this NTTG Regional Planning and Cost Allocation Practice document (“Practice Document”), developed and reviewed with stakeholders, provides a framework for an open and transparent regional planning and cost allocation process that meets the requirements of Order 1000. Further, this Practice Document provides the detailed analysis and procedures to be conducted by the Planning Committee and Cost Allocation Committee (and ultimately approved by the Steering Committee), as established in their respective charters. However, this Practice Document is not meant to give the criteria, standards, process or timeline for each NTTG transmission provider’s local transmission planning process. Local transmission planning is described in each transmission provider’s Attachment K.

## **2.0 Process for Amending this Document**

Any stakeholder participating in the NTTG planning or cost allocation process may submit a request, at any time, for revisions to this document. However, if such request is made following the end of Quarter 2, implementation of the suggested revisions may not occur until the following biennial planning cycle. Stakeholders are directed to submit suggested revisions to either the Planning or Cost Allocation Committees of NTTG. During Quarters 1 and 2 of each biennial planning cycle, both the Planning Committee and Cost Allocation Committee shall have an affirmative obligation to review this Practice Document along with any suggested revisions by stakeholders. After considering any submissions, both the Planning and Cost Allocation Committees will vote on whether to approve the suggested revisions and, if approved, both committees will vote on an appropriate effective date, prior to submitting a revised draft of this Practice Document to the Steering Committee for approval. After considering the revised document and proposed effective date, the Steering Committee will vote on whether to approve the proposed changes. Additionally, the Steering Committee may, on its own motion, suggest and approve changes to this Practice Document.

## **3.0 Consistency with Attachment K**

The provisions of this Practice Document are intended to be consistent with the tariff language that is contained in each NTTG transmission provider’s Attachment K. This Practice Document is intended to provide explanations, guidance, and further details of the provisions outlined in each transmission provider’s Attachment K. If any provision of this document conflicts with any provision in any individual transmission provider’s Attachment K, the OATT will govern. Although every effort will be made by NTTG to update the information contained in this Practice Document and to notify interested

stakeholders of changes, it is the responsibility of each interested stakeholder to ensure that they are aware of and operating under the most recent version of this Practice Document.

## II. REGIONAL PLANNING PROCESS

### 1.0 Objective of NTTG’s Regional Transmission Planning Process

The objective of NTTG’s regional transmission planning process, including transmission study efforts, is to develop a final Regional Transmission Plan that meets regional transmission needs more efficiently and cost effectively than the initial Regional Transmission Plan. Using a “bottom up” approach, NTTG develops an initial Regional Transmission Plan based on a combination of the previously approved NTTG Regional Transmission Plan and a “roll-up” of the transmission providers’ local transmission plans. Using a regional perspective, NTTG considers those projects together with non-incumbent transmission projects, merchant transmission developer projects, non-transmission alternatives, regional transmission solutions driven by public policy requirements (“Public Policy Requirements”),<sup>4</sup> and projects generated through analysis to produce an optimized draft Regional Transmission Plan. The draft Regional Transmission Plan is then studied and evaluated for cost allocation purposes to produce a Regional Transmission Plan that, once it is submitted to and approved by the Steering Committee, becomes the final Regional Transmission Plan.

### 2.0 Overview

#### 2.1 Northern Tier Transmission Group

NTTG represents transmission providers and customers that buy and sell transmission capacity to deliver electricity to customers in the Pacific Northwest and Mountain states. NTTG is a proactive group devoted to a collaborative, step-by-step approach to achieve an efficient and cost-effective Regional Transmission Plan. To meet the current and future electricity demands of customers, NTTG participating utilities work with stakeholders, government officials, customers and adjacent



Figure 1. NTTG Members’ Transmission Facilities

<sup>4</sup> “Public Policy Requirements” means those public policy requirements established by state or federal laws or regulations, meaning enacted statutes (i.e., passed by the legislature and signed by the executive) and regulations promulgated by a relevant jurisdiction. “Public Policy Considerations” means those public policy considerations that are not established by state or federal laws or regulations.

regional planning organizations to plan for the regional bulk power infrastructure needed within the NTTG footprint, as shown in Figure 1.<sup>5</sup> In addition, NTTG coordinates its regional planning process with the Western Electricity Coordinating Council’s (“WECC”) interconnection-wide responsibilities.

NTTG has four standing committees, which include: 1) the Steering Committee, 2) the Planning Committee, 3) the Cost Allocation Committee, and 4) the Transmission Use Committee.<sup>6</sup> The Steering Committee, which operates pursuant to the Steering Committee Charter, governs the activities of NTTG members. The Planning Committee, which is governed by the Planning Committee Charter, is responsible for preparing the Regional Transmission Plan, in collaboration with stakeholders and conducting regional economic studies requested by stakeholders. The Cost Allocation Committee, whose actions are governed by the Cost Allocation Committee Charter, is responsible for applying the cost allocation principles and practices, while developing cost allocation recommendations for transmission projects selected into NTTG’s biennial Regional Transmission Plan for purposes of cost allocation.

For additional information about NTTG, its transmission providers, or the interconnection wide planning process, see Table 1.

**Table 1. Sources of Information for Data Referenced in this Practice Document**

<b>Entity</b>	<b>Website or OASIS Link</b>	<b>Information Available</b>
NTTG	<a href="http://www.nttg.biz">www.nttg.biz</a>	<ul style="list-style-type: none"> <li>• Committee charters</li> <li>• Planning and cost allocation materials</li> <li>• Calendar and meeting notices</li> </ul>
Deseret Power	<a href="http://www.oatioasis.com/dgt/index.html">http://www.oatioasis.com/dgt/index.html</a>	<ul style="list-style-type: none"> <li>• Tariff</li> <li>• Business Practices</li> </ul>
Idaho Power	<a href="http://www.oatioasis.com/ipco/index.html">http://www.oatioasis.com/ipco/index.html</a>	<ul style="list-style-type: none"> <li>• Tariff</li> <li>• Business Practices</li> </ul>
NorthWestern Energy	<a href="http://www.oatioasis.com/NWMT/index.html">http://www.oatioasis.com/NWMT/index.html</a>	<ul style="list-style-type: none"> <li>• Tariff</li> <li>• Business Practices</li> </ul>
PacifiCorp	<a href="http://www.oasis.pacificorp.com/oasis/ppw/main.html">http://www.oasis.pacificorp.com/oasis/ppw/main.html</a>	<ul style="list-style-type: none"> <li>• Tariff</li> <li>• Business Practices</li> </ul>
Portland General Electric	<a href="http://www.oatioasis.com/pge/index.html">http://www.oatioasis.com/pge/index.html</a>	<ul style="list-style-type: none"> <li>• Tariff</li> <li>• Business Practices</li> </ul>
Utah Associated Municipal Power Systems	<a href="http://uamps.com/">http://uamps.com/</a>	
WECC TEPPC	<a href="http://www.wecc.biz">http://www.wecc.biz</a>	<ul style="list-style-type: none"> <li>• Planning Materials</li> </ul>

<sup>5</sup> NTTG’s participating utilities include: Deseret Power, Idaho Power, NorthWestern Energy, PacifiCorp, Portland General Electric, and Utah Associated Municipal Power Systems.

<sup>6</sup> The Transmission Use Committee is established to: 1) Increase the efficiency of the existing member utility transmission systems through commercially reasonable initiatives; and, 2) increase customer knowledge of, and transparency into, the transmission systems of the member utilities.

## 2.2 Biennial Planning Process

The NTTG regional transmission planning process utilizes an eight-Quarter biennial planning cycle to develop the Regional Transmission Plan. The biennial cycle begins in January of even-numbered years and ends in December of odd-numbered years. The primary goal of the regional planning process is to define, if possible, a single Regional Transmission Plan that is more efficient and/or cost effective from a regional perspective than the NTTG transmission providers’ collective local transmission plans. To accomplish this goal, NTTG analyzes, from a regional perspective, the “roll-up” of the NTTG transmission providers’ local transmission plans, projects included in prior regional transmission plans,<sup>7</sup> non-incumbent transmission projects, merchant transmission developer projects, non-transmission alternatives, regional transmission solutions driven by Public Policy Requirements and projects identified in the regional planning process. While the resulting Regional Transmission Plan is not a construction plan, it provides valuable regional insight and information for all stakeholders to consider and potentially modify their respective plans.

NTTG’s existing current eight-Quarter planning process is shown in Figure 2.

Biennial Planning Cycle				Economic Study Request Cycle		
Gather Information	*	01	Year One	Receive Requests	*	01
Develop Study Plan, Assumptions	*	02		Develop Study Plan	*	02
Perform Draft Plan Analysis	*	03		Perform Studies		03
Perform Draft Plan Analysis	*	04		Report and Review	*	04
Draft and Review Report and Gather Info	*	05	Year Two	Receive Requests	*	5
Final Plan Analysis and Cost Allocation	*	06		Develop Study Plan	*	6
Prepare and Review Final Report	*	07		Perform Studies, Prepare and Review Final Report	*	7
Obtain Final Plan Approval		08				
* Stakeholder Input						

Figure 2. NTTG Eight-Quarter Biennial Planning Process

<sup>7</sup> Projects selected in prior regional transmission plans start in the subsequent Regional Transmission Plan, but must pass the evaluation criteria (described herein) in each subsequent regional transmission plan to remain in the Regional Transmission Plan.

Below is a high-level summary of the eight-Quarter planning process shown in Figure 2.

Quarter 1:

- Gather local transmission plans and updates, transmission needs driven by Public Policy Requirements and Considerations and other projects proposed for the Regional Transmission Plan from transmission providers.
- Gather information for transmission needs driven by Public Policy Requirements and Considerations and transmission and non-transmission projects from non-incumbent developers, merchant transmission developers and stakeholders.
- Gather previous NTTG biennial plan results and results from prior eligible customers and stakeholder economic congestion studies.
- Receive new economic congestion study requests from eligible customers and stakeholders.<sup>8</sup>
- Gather project development schedules from project developers for all projects selected in the previous Regional Transmission Plan.

Quarter 2:

- Determine which transmission projects are “committed” (i.e., not subject to reevaluation, except under circumstances described in Sec. 3.9 below) and which are subject to reevaluation (Sec. 3.9 below).
- With stakeholder input, develop the Biennial Study Plan for the biennial Regional Transmission Plan and the Economic Study Plans for each accepted stakeholder-requested regional economic study plan.
- Receive approval of the Study Plans from the NTTG Steering Committee.
- Evaluate development schedule and determine a date by which permits must be achieved by a project selected in a prior Regional Transmission Plan to meet the regional needs.

Quarter 3:

- Perform approved economic congestion studies.

Quarter 4:

- Report economic congestion study results from requests received during Quarter 1.

Quarters 3-4:

- Analyze regional transmission and non-transmission alternatives and develop a draft Regional Transmission Plan following the modeling techniques defined in the Study Plan.
- Provide draft cost allocation data to the Cost Allocation Committee resulting from the draft Regional Transmission Plan.

Quarter 5:

- Facilitate stakeholder review and comment on the draft Regional Transmission Plan.
- Receive updates to information submitted in Quarter 1.
- Receive new economic congestion study requests from eligible customers and stakeholders.

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<sup>8</sup> For a regional economic study request to be considered by NTTG, eligible customers or stakeholders must submit the request to a transmission provider that is a party to the NTTG Funding Agreement. The form of Economic Study Agreement is also contained within each transmission provider’s Attachment K.

#### Quarter 6:

- Finalize the Regional Transmission Plan analysis with Quarter 5 updates and perform approved economic congestion studies.
- Develop draft report on the Regional Transmission Plan.
- Develop Study Plan for economic studies with stakeholder input received during Quarter 5.
- Provide final cost allocation data to the Cost Allocation Committee resulting from the Regional Transmission Plan.

#### Quarter 7:

- Facilitate stakeholder review and comment on the draft Regional Transmission Plan.
- Perform approved economic congestion studies.
- Report economic congestion study results from requests received during Quarter 5.

#### Quarter 8:

- Obtain approval from the NTTG Steering Committee of the final Regional Transmission Plan.

NTTG's regional transmission planning process and practice are demonstrated through the activities embodied in the eight-Quarter planning process of the biennial planning cycle. More detail about the activities being conducted during each Quarter of the biennial planning process is provided below.

## 2.3 Cost Allocation

As described in Section 2.2 above, NTTG relies on a two-year planning cycle, broken down into eight quarters, for its transmission planning process. Activities related to cost allocation are focused mainly in Quarter 2 with development of the Study Plan and Quarters 6 and 7 with the qualification of projects for cost allocation and the application of the cost allocation process for qualified projects selected in the Regional Transmission Plan.

The quarterly activities are summarized below.

#### Quarter 1:

- Review data in transmission providers' local transmission plans, with regard to load forecasts, resource additions and utilization, and transmission needs driven by Public Policy Requirements and Considerations.
- Gather information from transmission providers, non-incumbent developers, merchant transmission developers and stakeholders regarding load, resource, fuel and purchased power scenarios.
- Gather information from project sponsors seeking cost allocation regarding project benefits and beneficiaries and the underlying assumptions and forecasts.
- Determine jointly with the Planning Committee whether a sponsor is qualified to develop and operate its proposed project.

#### Quarter 2:

- Develop, in conjunction with the Planning Committee and with stakeholder input, the allocation scenarios incorporated as part of the Study Plan.

#### Quarters 3-4:

- Review draft cost allocation data provided by the Planning Committee resulting from the draft Regional Transmission Plan to identify potential data and methodology issues. If such issues are

identified, develop, in consultation with the Planning Committee and stakeholder input, solutions within the framework of this Practice Document and current Study Plan.

Quarter 5:

- Facilitate stakeholder review and comment on the draft Regional Transmission Plan.
- Receive updates to the Quarter 1 information about new or changed circumstances or data.

Quarter 6:

- Receive final benefit metrics and project cost data from the Planning Committee resulting from the Regional Transmission Plan.
- Apply eligibility criteria to determine projects in the Regional Transmission Plan selected for cost allocation.
- Develop the adjusted, net benefits by beneficiary from the benefit metrics data.
- Apply the cost allocation methodology to determine the project cost allocation by regional beneficiary for each project selected for cost allocation.

Quarter 7:

- Facilitate stakeholder review and comment on the draft Regional Transmission Plan and associated project cost allocation.
- Develop final recommendations and supporting information for project cost allocations.

Quarter 8:

- Obtain approval from the NTTG Steering Committee for the project cost allocation recommendations incorporated as part of the final Regional Transmission Plan.
- Review and modify, if appropriate, in consultation with the Planning Committee and input from stakeholders, the regional benefit metrics to be used in the next biennial planning cycle.
- Receive and review jointly with the Planning Committee qualification data submitted by prospective project sponsors for the next planning cycle and sponsors of projects selected for cost allocation in the current planning cycle (see timeline in Figure 6).
- Determine jointly with the Planning Committee if project sponsors have provided adequate data regarding their qualification and, if determined otherwise, issue deficiency notices to sponsors (see timeline in Figure 6).

## 2.4 Stakeholder Processes

NTTG facilitates an open and transparent planning and cost allocation process designed to provide stakeholders the ability to participate in the development of the Regional Transmission Plan. Stakeholders are encouraged to participate, through the Planning Committee, to help identify regional transmission needs and corresponding solutions. Further, stakeholders are also encouraged to participate through the submission of proposed transmission and non-transmission projects that may meet the regional transmission needs and regional Public Policy Requirements. This broad stakeholder participation is intended to result in a Regional Transmission Plan that has a broad basis of support and, if possible, meet the regional transmission needs more efficiently or cost-effectively than solutions identified in the local transmission plans of the individual public utility transmission providers.

Throughout the biennial cycle, NTTG conducts regular Steering, Planning and Cost Allocation Committee Meetings that are public and open to stakeholder participation. NTTG posts on its [website](#) the date, time and location of all public meetings along with information for participation via conference call, if

available. Meeting agendas, meeting notices and presentations will be posted on the NTTG [website](#) in advance of the meeting. An appropriate record of these meetings (e.g., minutes, notes, etc.) will be taken and published on the NTTG [website](#). Stakeholders are encouraged to attend and provide input during Planning, Cost Allocation, and Steering Committee meetings and public stakeholder meetings.

Additional opportunities for stakeholder participation are listed below:

Quarter 1:

- Using the NTTG data request form, submit information for transmission needs driven by Public Policy Requirements and Considerations and transmission and non-transmission alternatives to the NTTG Planning Committee.
- Submit requests for economic studies.

Quarter 2:

- Provide input on the NTTG Biennial Study Plan.
- Provide comments on the specific study requirements to be included in the NTTG Biennial Study Plan during the formal comment period, including transmission needs driven by Public Policy Requirements to be used in the regional plan analysis that ultimately defines NTTG's Regional Transmission Plan, as well as the transmission needs driven by Public Policy Considerations to be used in the additional study analysis.
- During regularly scheduled Cost Allocation meetings, provide input to the development of allocation scenarios for those parameters that will likely affect the amount of total benefits and their distribution among beneficiaries to be included in the Study Plan.
- Provide input on the study plan for economic studies during public stakeholder meetings.
- Provide comments on the study plan for economic studies during the formal comment period.
- Provide input to the NTTG Planning Committee's determination whether project delays will cause the project to miss the original in-service date.
- Submit proposed modifications to the criteria identified in the Practices document for evaluation of a "more efficient and cost-effective" Regional Transmission Plan.<sup>9</sup>

Quarter 5:

- Provide comments on the draft Regional Transmission Plan during the formal comment period.
- Submit updates to Quarter 1 data submittal about new or changed circumstances or data.
- Submit economic study requests.
- With the NTTG Planning Committee and affected entities, determine whether project delays will cause the project to miss the original in-service date.

Quarter 7:

- Review the draft Regional Transmission Plan and Cost Allocation recommendations.
- Submit comments on the draft Regional Transmission Plan and Cost Allocation recommendations during the formal comment period.

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<sup>9</sup> To be considered in the current planning cycle, the submission must be made no later than Quarter 2.

Quarter 8:

- Receive final biennial Regional Transmission Plan with cost allocation information.
- Provide input to the Planning and Cost Allocation Committees on publicly-available project sponsor qualification evaluations.

### 3.0 Regional Planning Process

NTTG biennially prepares a long-term (up to 10 year) Regional Transmission Plan using a “bottom up” approach. This step is initiated in Quarter 1 with the receipt of information from NTTG transmission providers’ local transmission plans.

#### 3.1 Regional Transmission Plan Process Summary

Below is a summary of the regional transmission planning and cost allocation process.

1. The Planning Committee gathers:
  - a. Preceding regional transmission plan;
  - b. Preceding regional economic study request results;
  - c. Transmission needs driven by Public Policy Requirements (mandated requirements);
  - d. Transmission provider’s local transmission plans and data used to produce the local transmission plan;
  - e. Proposed transmission projects, including those with requests for cost allocation;
  - f. Submitted alternatives (transmission and non-transmission);
  - g. Submitted future load and resource alternatives;
  - h. Submitted future potential transmission needs driven by Public Policy Considerations (beyond mandated requirements);
  - i. Submitted development schedules for projects selected in the previous plan;
  - j. WECC planning horizon (10 to 20 year) production cost and reliability base cases;
  - k. Qualifications of project sponsors proposing projects for cost allocation; and
  - l. Interregional data gathering as specified in Part II (below).
2. The Planning Committee:
  - a. Develops the Study Plan, which is submitted to the Steering Committee for approval. The Study Plan includes, but is not limited to, the following information:
    - i. Planning horizon load and resources;
    - ii. The initial Regional Transmission Plan (“roll-up” of the local transmission plans);
    - iii. Identification of “committed” transmission projects (i.e., not subject to reevaluation, except under circumstances described in Sec. 3.9 below) and those subject to reevaluation (See Sec 3.9);
    - iv. Alternatives to be assessed and Initial Regional Plan project to be displaced (if identified);
    - v. Transmission projects displaced;
    - vi. Included transmission needs driven by Public Policy Requirements;
    - vii. Selected base cases;
    - viii. Study methods (production cost, reliability analysis, etc.);

- ix. System conditions to be assessed (e.g. transmission interfaces to stress); and
- x. Benefit metrics for cost allocation.
- b. Tests robustness of draft Regional Transmission Plan with regard to the load and resource assumptions.
- c. Performs additional studies of strategic initiatives (informational), including:
  - i. Transmission needs driven by Public Policy Considerations; and
  - ii. Transmission of internal resources to external loads.
- d. Applies the cost allocation process to:
  - i. Benefits metrics; and
  - ii. Scenarios for determining benefits metrics.
- 3. Planning Committee and Cost Allocation Committee analyzes:
  - a. Regional Transmission Plan:
    - i. Analyze the initial Regional Transmission Plan and alternatives to create the Regional Transmission Plan;
    - ii. Estimate the benefit metrics by beneficiaries for projects selected for cost allocation; and
    - iii. Allocate cost of projects selected for cost allocation.
  - b. Additional studies for informational purposes.
- 4. Planning Committee documents and submits the Regional Transmission Plan to the Steering Committee for approval.

### **3.2 Types of Projects & Information Submitted to the Regional Transmission Planning Process**

Transmission providers supply load and resource data, including a forecast of transmission service requirements for existing transmission customers. The forecast looks at resources necessary for reliable load service, including integration of planned future generation resources and consideration for potential future outcomes that affect resource decisions. Factors considered include, but are not limited to, fuel price volatility, legislative changes related to climate change, public policy outcomes, and transmission service requests pending for new service.

Each transmission provider also supplies data associated with its existing transmission system, as well as any changes or additions to its transmission system contained within the 10-year study period. The transmission provider should identify the extent that transmission needs driven by Public Policy Requirements are reflected in the data submissions, resources (existing and additions) and the local transmission system (existing and additions).

Other regional transmission and non-transmission alternatives for consideration in the biennial planning process, including those related to transmission needs driven by Public Policy Requirements and Considerations, are also received by the Planning Committee from non-incumbent transmission developers, merchant transmission developers and stakeholders during Quarter 1. (If conditions warrant, this information may be updated in Quarter 5.)

### 3.3 Data Submission Requirements and Evaluation

#### 3.3.1 Pre-Quarter 1 Project Sponsor Qualification Data for Projects Seeking Cost Allocation

Prior to the beginning of each biennial planning cycle, project sponsors seeking cost allocation must submit certain minimum information, which is described in more detail in Section 4.1 and Figure 6 below.

#### 3.3.2 Project Information Required from All Projects – Submitted in Quarter 1

Prior to the end of Quarter 1 of the biennial planning cycle, all project sponsors must submit project information for their project to the local transmission provider or NTTG Planning Committee. This data submission process is also depicted in Figure 3 below. The information to be submitted includes the following (to the extent appropriate for the project):

- a) Load and resource data;
- b) Forecasted transmission service requirements;
- c) Whether the proposed project meets reliability or load service needs;
- d) Economic considerations;
- e) Whether the proposed project satisfies a transmission need driven by Public Policy Requirements;
- f) Project location;
- g) Voltage level (including whether AC or DC);
- h) Structure type;
- i) Conductor type and configuration;
- j) Project terminal facilities;
- k) Project cost, associated annual revenue requirements, and underlying assumptions and parameters in developing revenue requirement;
- l) Project development schedule;
- m) Current project development phase; and
- n) In-service date.<sup>10</sup>

The project information provides basic modeling data to include in NTTG’s power system planning models. All stakeholders must submit their transmission projects or non-transmission alternatives data to the local transmission provider or to the NTTG Planning Committee, with a copy to the local transmission provider or providers, using the data request form during the Quarter 1 data request window. The data request form must be substantially complete when submitted in order to ensure adequate information is available for the NTTG Planning Committee to evaluate the submitted projects. Updates to Quarter 1 data are allowed during the Quarter 5 data request window. The data request form can be found on the NTTG [website](#).

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<sup>10</sup> If any of this information is considered proprietary or commercially-sensitive, the project sponsor should mark it appropriately.

As part of its data submission to the local transmission provider or NTTG Planning Committee, an entity (i.e., transmission provider, non-incumbent transmission developers,<sup>11</sup> merchant transmission developer or any other stakeholder) may submit one or more projects for consideration in the regional transmission planning process or for consideration in the process for purposes of cost allocation.<sup>12</sup>

A project sponsor interested in submitting a project for cost allocation must submit pre-qualification data before the end of the 8<sup>th</sup> Quarter of the preceding biennial planning cycle. In addition, cost allocation requests must be submitted by the initial project submission date prior to the final day of Quarter 1. Cost allocation requests are made by submitting the required data listed on the data submittal form. This form is accessible from NTTG's [website](#), and will be sent to each project sponsor that has pre-qualified for cost allocation. See Section 4.1 below for additional information regarding the required data and period for submission.

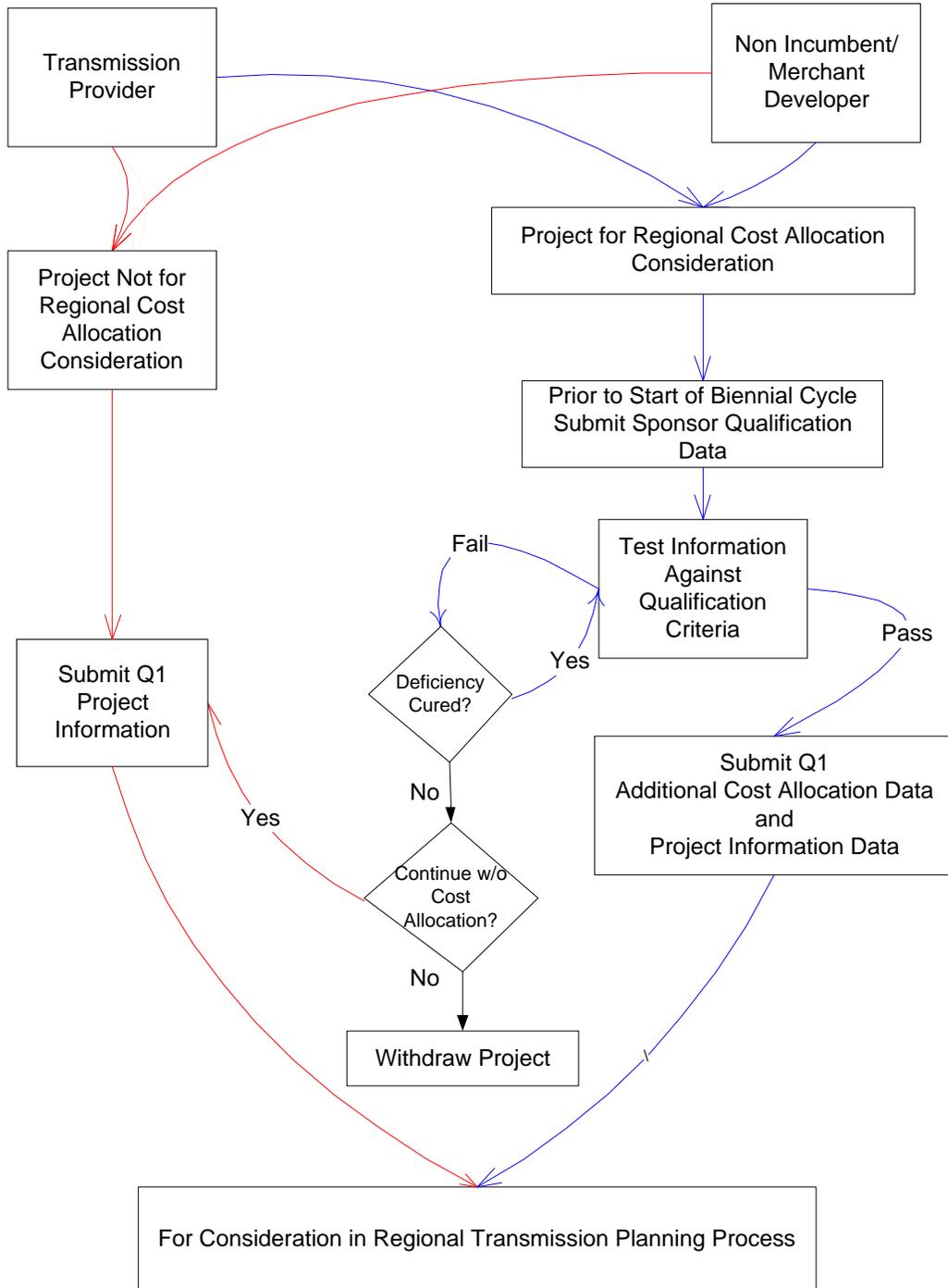
Figure 3 below provides a diagram of the data submittal process for all projects submitted to NTTG for consideration in the Regional Transmission Plan.

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<sup>11</sup> “Non-incumbent transmission developer” refers to (i) a transmission developer that does not have a retail distribution service territory or footprint and (ii) a transmission provider that proposes a transmission project outside of its existing retail distribution service territory or footprint. See Order 1000 at ¶ 225.

<sup>12</sup> Projects “rolled up” from local transmission plans may be considered in the Regional Transmission Plan for informational purposes, but are not eligible for regional cost allocation unless (i) the sponsor specifically proposes the project be considered in the regional transmission planning process for cost allocation, (ii) the project and project sponsor meet the appropriate qualification criteria, and (iii) the project is selected in the Regional Transmission Plan for cost allocation.

### Project Submittal to the Regional Planning Process



**Figure 3. Project Submittal to the Regional Planning Process**

### **3.4 Regional Public Policy Requirements and Considerations Information & Data Submission**

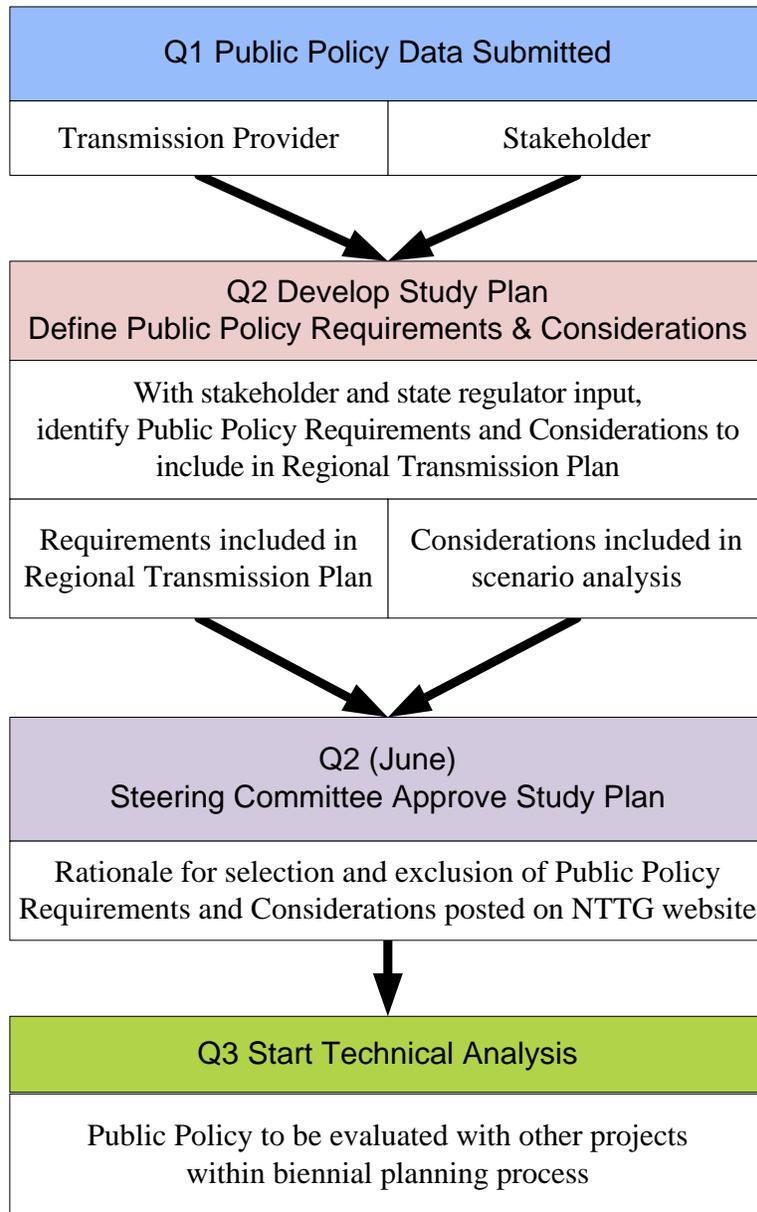
The biennial plan process aims to meet regional transmission needs driven by Public Policy Requirements. Additionally, the process may identify, for example, regional transmission solutions that meet the region's transmission needs driven by Public Policy Requirements and Considerations. The biennial plan may identify regional transmission planning solutions that meet the region's transmission needs more efficiently or cost effectively than the transmission solutions "rolled-up" from the local transmission plans.

The NTTG Planning Committee gathers data on transmission needs and associated transmission facilities driven by Public Policy Requirements and Considerations using the NTTG Quarter 1 data submittal process with NTTG's data request form, which can be found on NTTG's [website](#). NTTG's regional data-submittal process allows any stakeholder to submit data directly to the transmission provider or, alternatively, to submit the data to the NTTG Planning Committee, with a copy to the transmission provider.

#### **3.4.1 Selecting Public Policy Requirements and Considerations Used in the Regional Transmission Plan**

NTTG's regional planning process, through the NTTG Planning Committee, receives transmission needs driven by Public Policy Requirements and Considerations and data from the local transmission plans and stakeholders during the Quarter 1 data submittal period. NTTG's Regional Transmission Plan includes consideration of only transmission needs driven by Public Policy Requirements, and may use additional study analysis to consider other transmission needs driven by Public Policy Considerations as agreed upon by the Planning Committee, with stakeholder input, during Quarter 2. Together, these transmission needs driven by Public Policy Requirements and Considerations are approved by the NTTG Steering Committee as part of the Study Plan approval process at the end of Quarter 2. The Planning Committee will include in the biennial plan an explanation why certain transmission needs driven by Public Policy Requirements and Considerations were omitted. This explanation will be posted on the NTTG [website](#).

NTTG's Planning Committee applies the following process, shown in Figure 4, to transmission needs driven by Public Policy Requirements and Considerations data:



**Figure 4. Planning Committee Process for Selecting Public Policy Requirements and Considerations**

- Quarter 1: Regional Public Policy Requirements and Considerations information and data are “rolled-up” from the local transmission providers’ transmission plans and received from stakeholders using NTTG’s data submittal forms.
- Quarter 2: After consultation with stakeholders, including state regulators, NTTG’s Planning Committee recommends to NTTG’s Steering Committee the regional Public Policy Requirements to be used in the regional plan analysis that ultimately defines NTTG’s Regional Transmission Plan, as well as the Public Policy Considerations to be used in the additional study analysis. The additional study analysis results are informational only and

may inform the Regional Transmission Plan, but do not become part of NTTG's Regional Transmission Plan.

In June of Quarter 2, the NTTG Steering Committee approves the Study Plan, including the regional Public Policy Requirements for the Regional Transmission Plan and Public Policy Considerations for additional study analysis.

### **3.4.2 Public Policy Posting Requirement**

After the NTTG Steering Committee approves the Public Policy Requirements criteria and the Public Policy Considerations for additional study, NTTG posts on its [website](#), and its transmission providers post on their OASIS sites, which Public Policy Requirements and Considerations will and won't be evaluated in the biennial transmission planning process, along with an explanation of why particular Public Policy Requirements and Considerations were or were not considered.

### **3.4.3 Evaluation of Public Policy Requirements and Considerations in the Regional Transmission Plan**

NTTG's regional planning process determines if there is a more efficient or cost-effective regional solution to meet the transmission needs driven by Public Policy Requirements submitted by stakeholders and transmission providers for consideration and accepted for evaluation by the Steering Committee. The selection process and criteria for regional projects meeting transmission needs driven by Public Policy Requirements are the same as that used for any other regional project chosen for NTTG's Regional Transmission Plan.

Rather than considering transmission needs driven by Public Policy Requirements separately from other transmission needs, the NTTG Planning Committee evaluates them in its technical analysis along with other regional projects.

## **3.5 Regional Transmission Plan Evaluation Process**

The eight-Quarter biennial planning cycle begins in Quarter 1 by collecting information from transmission providers, non-incumbent transmission developers, merchant transmission developers and other stakeholders. This information includes load and resource forecasts from integrated resource plans or other processes; proposed transmission facilities and their current status; project development schedules from developers of projects selected in the previous Regional Transmission Plan; transmission needs driven by Public Policy Requirements and Considerations and associated transmission facilities; non-transmission alternatives; and other regional and interregional projects.

Following Quarter 1 activities, the NTTG Planning Committee, during Quarter 2, develops the Biennial Study Plan. The Study Plan identifies projects selected in the previous plan that are "committed" (i.e., not subject to reevaluation, except under circumstances described in Sec. 3.9 below) and those that are subject to reevaluation (See Sec 3.9); defines specific study requirements; and describes in detail the data, assumptions, scenarios and evaluation methodologies to be used in the review and selection of transmission projects for the Regional Transmission Plan.

In Quarter 3, the study process begins when the Planning Committee posits an initial Regional Transmission Plan. The plan is defined as the “roll-up” of the transmission providers’ local transmission plans and regional projects selected in prior regional transmission plans. This initial Regional Transmission Plan should provide for the reliable delivery of power to loads, from the perspective of the region’s transmission providers, as well as for other transmission service obligations. It should also include transmission providers’ transmission projects to meet their respective transmission needs driven by Public Policy Requirements.

The Planning Committee conducts a technical analysis of the initial Regional Transmission Plan, which proceeds in Quarters 3 and 4. The initial Regional Transmission Plan’s loads and resources are incorporated in the appropriate WECC base cases (production cost and power flow). This step requires careful selection of data to ensure consistency. In some cases, the Planning Committee may require adjustments to or augmentation of either the load and resource submissions (to provide consistency with regard to granularity of the data or conditions, e.g., extreme temperatures) or to the WECC base cases (to correct any errors/omissions in data, e.g., addition of a new transmission project by a transmission provider). Using these WECC base cases, with incorporation of the initial Regional Transmission Plan and its supporting data, the Planning Committee, through the study process in Quarters 3 and 4, confirms or identifies regional transmission projects, or transmission alternatives, that will likely result in a Regional Transmission Plan that is more efficient or cost-effective than the initial plan. Through this study process, the Regional Transmission Plan may identify unsponsored projects that will meet the region’s transmission needs more efficiently and cost-effectively (See Section 4.2 below for additional detail). The results of this study form the basis of the draft Regional Transmission Plan.

Also as part of the study process in Quarters 3 and 4, net benefits associated with the Regional Transmission Plan (relative to the initial Regional Transmission Plan) are evaluated by the Planning Committee. The evaluation may be repeated in Quarter 6, to incorporate any changes in the allocation scenarios or transmission projects selected in the final Regional Transmission Plan for cost allocation. The result is an estimate of net regional benefits for each allocation scenario, disaggregated among regional beneficiaries.

Stakeholder comments on the draft Regional Transmission Plan, along with certain other updates to other study data, are received during Quarter 5. Based on this input, the draft Regional Transmission Plan may be reevaluated and modified by the Planning Committee, in accordance with a protocol set forth in the Study Plan. This detailed analysis is conducted during Quarters 5 and 6 and results in a final Regional Transmission Plan. Depending on the type and scope of any modifications of the draft plan, or comments and updated input received from stakeholders, the net benefits of transmission projects in the final Regional Transmission Plan may also be reevaluated (in aggregate and by beneficiary).

The final Regional Transmission Plan, and its supporting information and methodologies, are described in a draft report on the Regional Transmission Plan that is prepared by the Planning Committee and is available for stakeholder comment during Quarter 7. The report is finalized in Quarter 8, with consideration of the stakeholder comments received in Quarter 7.

The Planning Committee submits the report to the NTTG Steering Committee for approval in Quarter 8. A diagram of the regional planning process is shown in Figure 5.

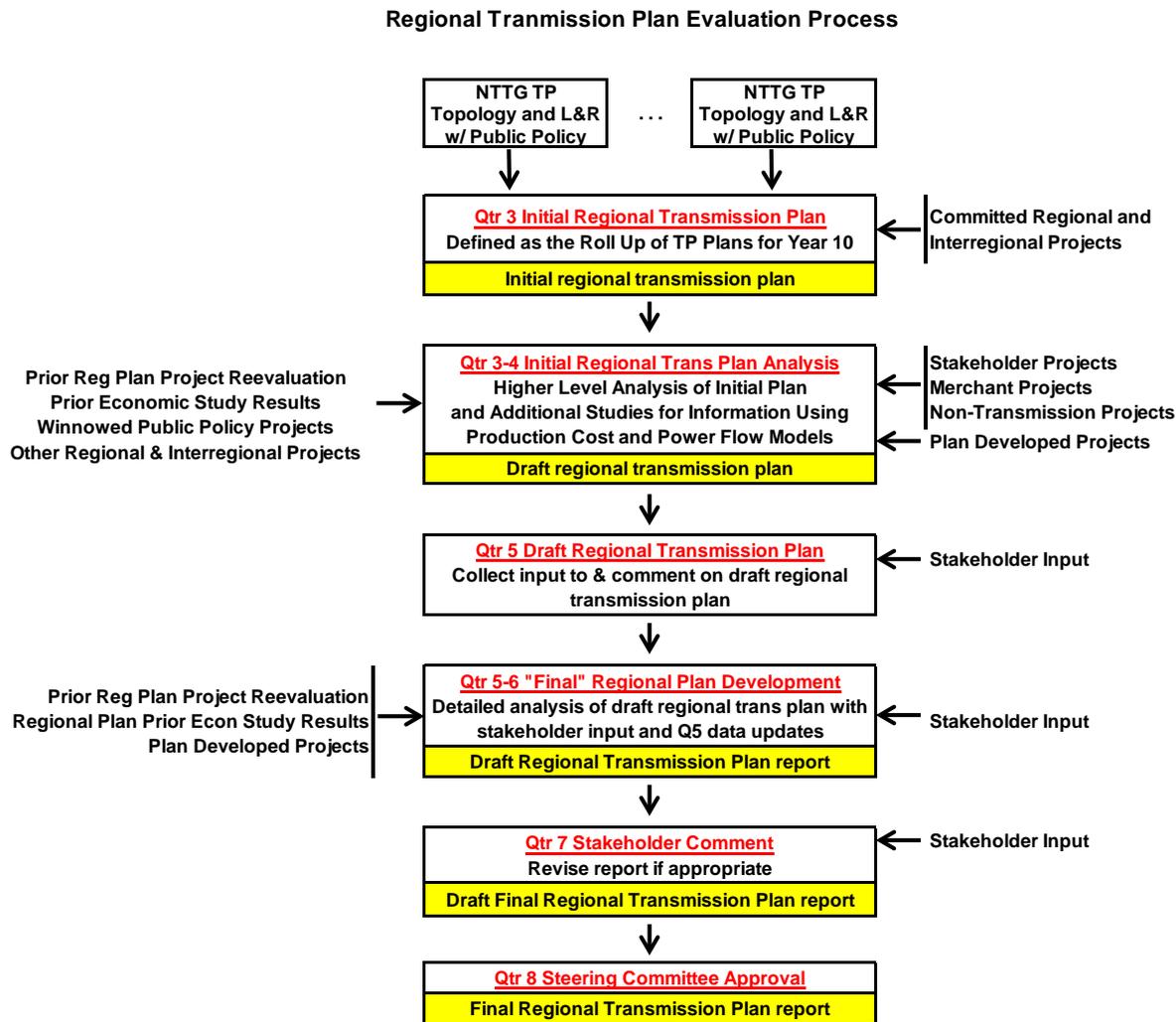


Figure 5. Regional Transmission Plan Evaluation Process

### 3.6 Criteria for Selecting a Project into the Regional Transmission Plan

The initial Regional Transmission Plan forms the basis from which alternative transmission projects and non-transmission alternatives (incorporating stakeholder projects submitted during Quarters 1 and 5) are analyzed. The intent of the analysis is to define, if possible, a draft Regional Transmission Plan that meets the needs of the NTTG footprint more efficiently and/or cost effectively than the initial plan.

#### 3.6.1 More Efficient and Cost-Effective

The projects selected in the Regional Transmission Plan must produce a Regional Transmission Plan that is the most efficient and cost-effective solution to serve the region’s transmission needs. Whether a

transmission plan is “more efficient and cost-effective”<sup>13</sup> is defined in the Study Plan (described in Section 3.7 below) and is based on evaluation of the criteria developed by the Planning Committee, with input from stakeholders, which may include the following:

- Feasibility and timeliness of the plan’s development. For example, any new project selected in the Regional Transmission Plan must be able to meet the timeframe (e.g., year) when it is needed to maintain reliability and service needs.
- Reliability performance measured by appropriate engineering data and results (e.g., through N-0, N-1 voltage and thermal performance).
- Congestion, as measured through production-cost simulation.
- Incremental (i.e., new, not existing) capital-related costs of regional transmission projects and non-transmission alternatives, including costs necessary to eliminate any violation of a reliability standard. For example, incremental capital-related costs include the cost to eliminate a future problem (e.g., voltage or thermal problem) that is accelerated into the planning horizon.
- Incremental capital-related cost of peak capacity requirements and operating reserves within the regional footprint.
- Total net production cost within the regional footprint.
- Cost-effectiveness. For example, when one or more local transmission plan projects are replaced by an alternate project(s), the resulting plan must be more cost effective than the initial Regional Transmission Plan by at least 10 percent of the capital cost of the replaced project(s), and by a minimum of \$10 million of the capital costs of the local project(s) that has been replaced.

The Study Plan developed in Quarter 2 of the biennial planning cycle (described in Section 3.7 below), through input received from stakeholders regarding criteria not already identified in this document, may augment the selection criteria described above to determine if a project or plan is more “efficient and cost effective.” Any criteria proposed by stakeholders must assist the Planning Committee in ensuring that the Regional Transmission Plan is more “efficient and cost effective.” Further, any stakeholder suggesting such changes to the criteria for selection in the Regional Transmission Plan must submit their suggested revisions to the Planning Committee; if approved by the Planning Committee, such criteria are sent to the Steering Committee for approval.<sup>14</sup> As part of this approval process, the Steering Committee

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<sup>13</sup> “Efficiency” refers to the relationship of the amount of input required for a given level of output. Being “more efficient” means doing more with the same or doing the same with less. A more efficient transmission plan provides the same or greater reliability and the same or greater transfer capacity (at useful locations), with less or equal commitment of capital and electrical power input.

“Cost-effective” means to produce an outcome, service or good at a lower cost (or produce more at the same cost). A more cost-effective transmission plan meets all the needs of transmission customers at a lower cost.

<sup>14</sup> Since the Steering Committee approves the Study Plan, any augmentation of the selection criteria is subject to its approval.

may decide whether to amend the criteria for only the current Regional Transmission Plan or amend the criteria contained in this Practice Document for all future regional transmission plans.

### 3.7 Study Plan

In Quarter 2 of each biennial planning cycle, the Planning Committee leads the development of the Study Plan with the participation of the Cost Allocation Committee and in consultation with stakeholders. Stakeholders are encouraged to provide their input during the regularly scheduled committee meetings. The Study Plan is followed as closely as possible throughout the biennial planning cycle to produce the NTTG Regional Transmission Plan. If, however, unforeseen events occur that require a change to the Study Plan, any change is presented to stakeholders for comment through regularly scheduled Planning Committee meetings.

#### 3.7.1 Study Plan Approval Process

The Study Plan is submitted to the Steering Committee for approval before the end of Quarter 2.

The Steering Committee may remand the Study Plan to the Planning and/or Cost Allocation Committee for any of the following reasons:

- If the Study Plan is lacking in detail;
- If the Study Plan relies on inappropriate data, metrics, or scenarios; or
- If the Study Plan is inconsistent with this Practice Document or Committee Charters.

Further, with respect to cost allocation, the Steering Committee may remand the Study Plan on any of the following additional grounds:

- Objection to the parameters used to define which beneficiaries are eligible for allocating costs. The Steering Committee can reject individual metrics, remand metrics for more study, recommend other metrics, or approve the metrics as provided; or
- Objection to the assumptions or methods used in modeling benefits for the various study scenarios. The Steering Committee may reject an individual scenario, remand scenarios for additional work or revisions, recommend additional scenarios, or approve the scenarios as provided.

If the Steering Committee remands parameters or scenarios for additional work or recommends additional scenarios, then the Cost Allocation Committee will respond to the suggestions and resubmit the Study Plan to the Steering Committee. If the Steering Committee rejects a scenario, the Cost Allocation Committee may provide additional support justifying the scenario to the Steering Committee and resubmit, or may decide to remove the scenario from the Plan.

In the event of a remand, the Steering Committee will provide a specific description of the shortcomings, omissions, or inconsistencies that it found. The Planning or Cost Allocation Committee will augment or modify the initial or resubmitted Study Plan to correct the deficiencies and resubmit the Study Plan until the Steering Committee is satisfied. Unless the Steering Committee finds that the

deficiencies have not been corrected, the Steering Committee will approve the resubmitted Study Plan. The Committees will work to get a Study Plan approved no later than the end of Quarter 2 in the current biennial planning cycle.

### 3.7.2 Study Technique

The Study Plan defines the studies to be performed and the robustness-scenario tests, including the appropriate load, resource, and transmission assumptions for the study. The Study Plan describes the study techniques to be used to analyze the regional transmission system, which may include some combination of power flow modeling and production cost modeling. For example, the NTTG Biennial Study Plan may examine how the plan affects Western Interconnection system reliability using power flow techniques consistent with established planning methods that focus on anticipated times of system stress. The Study Plan also identifies the system conditions to be analyzed. Identification of system conditions may go beyond the traditional focus of examining a snapshot of winter and summer peak conditions. System conditions may be identified after examining all hours of the year, using production cost modeling techniques to identify situations where available resources and forecasted loads across the Western Interconnection cause highest stress on NTTG's transmission providers' transmission systems. The Study Plan may elect to find periods of stress or congestion that arise from times of peak load or reduced resource availability, or simply from large geographical disparities in loads and resources using a chronological security-constrained generator commitment and dispatch model (e.g., production cost model) run across all the hours in a year to find specific hours when energy flow from resources to loads is most constrained.

When considering cost allocation, the Cost Allocation Committee's recommendations will be based upon evaluation of the specific types of benefits, and on whether the distribution of benefits falls within acceptable parameters that will limit the risk to the beneficiaries. NTTG's Study Plan will address data submission requirements from projects sponsors, any additions or changes to benefit metrics, and the allocation scenarios that will be used to estimate the likely project benefits that will accrue to various beneficiaries.

#### 3.7.2.1 Information Included

The Study Plan methodology may include the development of a "null case" that examines the sufficiency of the existing transmission topology to meet future load growth and transmission needs associated with transmission project driven by Public Policy Requirements. Using a "bottom up" approach, NTTG's Planning Committee assembles an initial Regional Transmission Plan based on a combination of the previously approved NTTG Regional Transmission Plan and a "roll-up" of the transmission providers' local transmission plans. Using a regional perspective, NTTG's Planning Committee considers those projects, together with other projects submitted in Quarter 1 and projects generated through the regional transmission planning analysis, to produce a more efficient and cost-effective regional plan. The planning process examines the reliability of the transmission system, as well as capital costs, capital-related costs (i.e., annual revenue requirements), and net production costs, as appropriate, to determine which transmission projects and non-transmission alternatives improve upon the initial Regional Transmission Plan.

### *3.7.2.2 Base Cases Selected*

Using a recent WECC production cost case that closely matches NTTG's long-term planning horizon, NTTG's Planning Committee aligns and adjusts, if necessary, the WECC production cost and power flow base cases to match the Biennial Study Plan planning horizon and data "rolled-up" from the transmission providers local transmission plans. Use of the WECC base case provides a widely-accepted and well-vetted starting point. The Study Plan may also provide information on how the WECC base cases will be modified by NTTG to represent the load and resource conditions and transmission topology necessary to conduct NTTG's biennial planning studies.

### *3.7.2.3 Contingencies to Run*

The Study Plan also provides a discussion of the contingencies to be included. In performing the studies, the ability of power flow programs to automatically test contingencies are exercised, using contingency lists provided by NTTG member transmission providers. Lists include significant single outages of transmission elements or generators, and any credible two-element outages.

### *3.7.2.4 Reliability Criteria*

The Study Plan also ensures that the Regional Transmission Plan meets applicable NERC and WECC system reliability standards and criteria.

## **3.7.3 Developing the Regional Transmission Plan**

The primary goal of the planning study is to determine if changes – either modifications or additions – to the initial Regional Transmission Plan can improve the efficiency or cost-effectiveness of the regional transmission system. With that goal in mind, the Planning Committee develops the Regional Transmission Plan biennially based on the Study Plan and utilizes a planning horizon of not less than 10 years. The Study Plan evaluates the submitted transmission and non-transmission alternatives, to modify or add to the initial Regional Transmission Plan.

As a secondary goal, the Study Plan addresses how uncertainty regarding future loads and resources may affect the regional transmission system. This is done in two ways.

First, the Study Plan sets forth a methodology and process for developing strategic options that rely on regional transmission projects and non-transmission alternatives. These options address uncertainty regarding specific public policies that are being considered (but that were not selected for evaluation in the regional planning process), as well as other factors, all of which could substantially affect future transmission requirements and utilization and that are not otherwise considered in development of the Regional Transmission Plan. If, during Quarter 1, NTTG receives a proposal for generation to be considered as a non-transmission alternative, the Study Plan may include the evaluation of transmission congestion (betterment or detriment to congestion) as a result of including the non-transmission alternative in the plan.

Second, the Study Plan includes one or more scenarios to test the performance of the Regional Transmission Plan with respect to reliability and economics by changing load and resource projections. This robustness testing may vary the amount and location of load while also varying the amount, type

and location of resources. The inputs for such testing draw on scenarios and results from integrated resource planning or other appropriate resource planning processes performed within the NTTG footprint.

These additional study results, with respect to potential strategic options and robustness testing, provide information regarding the potential performance and shortcomings of the Regional Transmission Plan. The results of these additional studies, however, do not modify or otherwise show up in the current Regional Transmission Plan.

#### **3.7.4 Projects Selected for Cost Allocation**

Transmission projects included in the Regional Transmission Plan may be selected for cost allocation. The Study Plan describes the processes for (i) determining that a transmission project meets the qualification criteria to be selected in the plan for purposes of cost allocation (see Section 4.2.2); (ii) if there is a project sponsor, determining whether that sponsor meets the qualification criteria to propose a transmission project for cost allocation (see Sections 4.1.1 and 4.1.2); (iii) developing scenarios to be used for cost allocation (pursuant to Section 4.2.3); (iv) calculating the benefits accruing to regional beneficiaries associated with selected benefit metrics (pursuant to Section 4.2.3); and (v) applying the net benefits estimated for regional beneficiaries to allocate all of the cost of a transmission project selected for cost allocation (pursuant to Sections 4.2.3 and 4.2.4).

### **3.8 Regional Planning Process Deliverables**

The deliverables from NTTG’s regional planning process are focused on fulfilling NTTG’s objective to develop a Regional Transmission Plan that meets regional transmission needs more efficiently or cost effectively than a “roll-up” of the transmission providers’ local transmission plans. The broad timing of the Regional Transmission Plan development process and the work products to be delivered are presented in the NTTG Planning Committee Charter, described above in Section 2.2 and shown in Figure 2.<sup>15</sup> The deliverables may be further defined, with input from stakeholders, during development of the Study Plan in Quarter 2.

The regional planning process also develops the data and information for the regional benefit metrics to be used for regional cost allocation determinations. The data and information required by the benefit metrics must be defined before Quarter 2 for inclusion in the Study Plan.

### **3.9 Reevaluation of Projects Selected in the Regional Transmission Plan**

NTTG expects the sponsor of a project selected in the Regional Transmission Plan to inform the Planning Committee of any project delay that would potentially affect the in service date as soon as the delay is known and, at a minimum, when the sponsor re-submits its project development schedule during Quarter 1. The project sponsor is also encouraged to submit information that corrects or updates any

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<sup>15</sup> See, Planning Committee Charter, Section III “Duties and Responsibilities.”

prior submissions at any time; however, the evaluation of delay impact on the Regional Transmission Plan only occurs during Quarters 2 and 6. The Planning Committee, with input from stakeholders and the affected entities, determines whether the delay will cause the project to miss the original in-service date. This determination occurs either during development of the Study Plan in Quarter 2 or during revision of the Study Plan in Quarter 6.

“Committed” projects are those selected in the previous plan that have all permits and rights of way required for construction, as identified in the submitted development schedule, by the end of Quarter 1 of the current plan. Committed projects are not subject to reevaluation, unless the project fails to meet its development milestones per its Planning Committee approved project development schedule such that the needs of the region will not be met, in which case, the project may lose its designation as a committed project.

If not committed, a project selected in the previous plan—whether selected for cost allocation or not—shall be reevaluated, and potentially replaced or deferred, in subsequent planning cycles only in the event that (a) the developer of the project fails to meet its project development schedule such that the needs of the region will not be met, (b) the developer of the project fails to meet its project development schedule due to delays of governmental permitting agencies such that the needs of the region will not be met, or (c) the needs of the region change such that a project with an alternative location and/or configuration meets the needs of the region more efficiently and/or cost effectively.

In the event of (a) or (b), the Planning Committee may remove the transmission project from the Initial Regional Transmission Plan. With regard to (b), if through the planning process no alternative project is identified to timely meet the regional needs, the project could be reinstated into the plan with its new in-service date. In the event of (c), an alternative project shall be considered to meet the needs of the region more efficiently and/or cost effectively if the total of its cost, plus costs for the project being replaced/deferred, incurred by the developer during the period the project was selected in NTTG’s plan, is equal to or less than .85 of the replaced/deferred project’s capital cost. If an alternative project meets the .85 threshold while absorbing the incurred costs of the replaced/deferred project, then the prior project will be replaced by the alternative project.<sup>16</sup>

### **3.10 Reporting Requirement for a Project Selected in Prior Biennial Cycle**

For a transmission project selected in the Regional Transmission Plan, the project sponsor must submit to the Planning Committee a project development schedule in Quarter 1 of the biennial planning cycle

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<sup>16</sup> While NTTG’s process does not intend to address cost recovery, NTTG’s Cost Allocation Committee Charter states that cost allocations will result in a reasonable opportunity for the transmission owner(s) to achieve full recovery of the costs of the project, but no more. It is NTTG’s intention that costs for the replaced/deferred project, incurred during the period it was selected in NTTG’s plan should be equally eligible for cost recovery as the incurred costs for the project that replaced/deferred it, as those costs were incurred for a project identified by NTTG as the most efficient and/or cost effective solution to regional needs at the time, and such a project would only be replaced if a more efficient and/or cost effective solution, in aggregate, was identified.

immediately following its selection into the Regional Transmission Plan. The schedule must include all major project development milestones (including, but not limited to: granting of all federal and state permits; acquisition of rights of way; progress of engineering, materials, equipment, and construction contracts; date of substantial project completion; and forecast of expected costs through the current cycle) necessary to develop and build the transmission project to meet the timing requirements identified in the prior biennial planning cycle.

In the Quarter following the submission of this development schedule (i.e., Quarter 2), the Planning Committee establishes a date by which all permits and rights of way required for construction, as identified in the development schedule, must be achieved, based on the required in-service date of the project and its estimated construction period. As long as the project remains in the Regional Transmission Plan, the project developer must submit to the Planning Committee a milestone progress report and any adjustments of the project development schedule, prior to the end of Quarter 1 of each subsequent biennial cycle until the project is considered “committed.”

To remain eligible for cost allocation determinations in subsequent planning cycles, a project and a project sponsor must continue to meet all data reporting and submission criteria. The project sponsor may request an updated cost allocation assessment, which must be requested in Quarter 1 of each subsequent planning cycle. The Cost Allocation Committee in Quarter 2 may initiate an updated cost allocation assessment for a project if it believes regional conditions affecting cost allocation of a project have significantly changed. To remain in the plan for cost allocation for the next planning cycle, the sponsor must submit qualification data during Quarter 8 of the planning cycle and remain qualified in Quarter 1 of the following planning cycle. If a project sponsor no longer meets the qualification criteria, the project may remain in the Regional Transmission Plan, but will not be eligible for cost allocation.

## 4.0 Cost Allocation

### 4.1 Information Required for Projects Submitted for Consideration in the Regional Transmission Plan for Cost Allocation

All project proponents seeking inclusion in the Regional Transmission Plan for purposes of cost allocation must submit certain information to be reviewed by the Planning Committee and Cost Allocation Committee covering three categories: (1) sponsor qualification data, (2) physical and cost data related to the proposed project (per Section 3.4 above), and (3) additional data utilized for cost allocation. Proposers submit project information using the data request form posted on NTTG's [website](#). The data submission must be complete and in sufficient detail for NTTG's Planning and Cost Allocation Committees to determine a sponsor's eligibility to propose a project for selection in the Regional Transmission Plan for purposes of cost allocation.

#### 4.1.1 Sponsor Qualification Data and Evaluation for Projects Proposed for Cost Allocation

A project sponsor that plans to submit its regional transmission project<sup>17</sup> into NTTG's regional planning process for cost allocation consideration must submit sponsor qualification data to the Planning and Cost Allocation Committees during Quarter 8 of the prior biennial planning cycle (see Figure 6 for the timeline and Table 2 for a summary of the data to be provided). The sponsor qualification data is used to determine the project sponsor's eligibility to submit a project in the regional planning process for selection in the Regional Transmission Plan for cost allocation.

The Planning and Cost Allocation Committees applies sponsor qualification criteria as summarized in Table 2 in a comparable, non-discriminatory manner to both incumbent and non-incumbent transmission developers. The qualification data are evaluated by the Planning and Cost Allocation Committees, in consultation with stakeholders, at regularly scheduled meetings before the start of the biennial cycle (see Figure 6). If, through this evaluation process, it is determined that the project sponsor fails to meet the qualification data requirements shown in Table 2 above, the project sponsor may provide additional information during the time-to-remedy period of December through January as shown in Figure 6. Otherwise, the project sponsor may choose to submit its project into the planning process but *not* for purposes of cost allocation, or withdraw the project from further consideration (see Figure 3).

NTTG reserves the right to reject project applications for which the requisite sponsor eligibility information is not provided.

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<sup>17</sup> Projects submitted by sponsors meeting the qualification criteria and which are submitted for purposes of cost allocation may include: 1) a project "rolled-up" from one or more local transmission providers' transmission plan(s) that has a potential regional impact; 2) a project sponsored by a non-incumbent transmission developer; or 3) an interregional project.

**Table 2. Sponsor Qualification Data – Submit Prior to Biennial Cycle Begins<sup>18</sup>**

Project Submitted for Selection in Regional Transmission Plan for Regional Cost Allocation

	Category	Qualification Data	How Sponsor Qualification Data Will be Evaluated
1	Project sponsor description	<ol style="list-style-type: none"> <li>1. Name and address.</li> <li>2. Years in business.</li> <li>3. Operating environment (nature of business).</li> </ol>	<p>Response to the qualification data must be provided.</p> <p><b>EVALUATION:</b> Must provide sufficient detail to allow a clear understanding of the project sponsor.</p>
2	Project summary	Detailed project description not required, but a clear summary of the proposed project is mandatory, including: voltage, approximate construction duration, and cost of the transmission project.	<p>Response to the qualification data must be provided.</p> <p><b>EVALUATION:</b> Must provide project voltage, single or double circuit, AC or DC, estimated cost, approximate construction period, and project location.</p>
3	Project sponsor demonstration of technical expertise to develop, construct and own the proposed facility	<ol style="list-style-type: none"> <li>1. Management’s experience in developing, constructing, and owning a project of similar size and scope.</li> <li>2. Clear discussion of project sponsor’s depth and breadth of technical expertise, including sponsor’s internal expertise or external expertise, or both, to develop, construct, and own the proposed project.</li> <li>3. Name, location, and description of a project of similar scale that demonstrates sponsor’s technical expertise to develop, construct, and own the proposed project.</li> </ol>	<p>Response to the qualification data must be provided.</p> <p><b>EVALUATION:</b> Must demonstrate acceptable experience, including managerial and technical expertise in developing, constructing and owning comparable transmission facilities.</p>

<sup>18</sup> All information supplied to the Planning Committee or subcommittees must be marked by the provider in accordance with the appropriate document class and is treated appropriately by all committee and subcommittee members. The markings should be as follows:

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

**Table 2. Sponsor Qualification Data – Submit Prior to Biennial Cycle Begins<sup>18</sup>**

Project Submitted for Selection in Regional Transmission Plan for Regional Cost Allocation

	Category	Qualification Data	How Sponsor Qualification Data Will be Evaluated
4	Project sponsor financial expertise to develop, construct, and own the proposed facility	<p>Creditworthiness review requires the following information, if available:</p> <ol style="list-style-type: none"> <li>1. Most recent annual report.</li> <li>2. Most recent quarterly report.</li> <li>3. Last two most recent audited year-end financial statements.</li> <li>4. Rating agency reports.</li> <li>5. Any material issues that could affect the credit decision, including but not limited to litigation, arbitration, contingencies, or investigations (if applicable).</li> <li>6. Other information supporting sponsor’s financial expertise.</li> </ol>	<p>Response to the qualification data must be provided.</p> <p><b>EVALUATION:</b> In addition to the qualification data, the sponsor must either provide data demonstrating an investment grade rating, or, alternatively, meet the following four tests:</p> <ol style="list-style-type: none"> <li>1. Project sponsor, or the sponsor’s parent company, has existed for at least 5 years.</li> <li>2. Project sponsor’s working capital has been positive for the prior 3 years.</li> <li>3. Project sponsor’s assets are at least 5 times the total project capital cost.</li> </ol>
5	Investors	<p>Clear description of investors in the project, including investment level of each.</p>	<p>Response to the qualification data must be provided.</p> <p><b>EVALUATION:</b> Must provide the appropriate financial information for the investor(s), including financial expertise provided in response to category 4.</p>
6	Project sponsor ability to maintain and operate proposed facility	<p>Clear description of project sponsor’s ability to operate and maintain the proposed project. Must provide (1) actual examples of operation and maintenance experience, including duration (years) of experience for similar size project; or (2) provide similar information for sponsor’s consultant or outsourced entity.</p>	<p>Response to the qualification data must be provided.</p> <p><b>EVALUATION:</b> At least 5 years experience by the sponsor or its parent organization</p>

#### 4.1.2 Additional Cost Allocation Data – Submitted During Quarter 1

If the project sponsor meets the cost allocation qualification criteria, it must submit the project information required for all projects (see Section 3.3.2). In addition, the project sponsor must submit additional data prior to the end of Quarter 1 to be utilized for cost allocation. This information includes:

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

The project sponsor must base the associated benefit of the proposed project on the next best, least-cost alternative (transmission or non-transmission) satisfying the reliability requirement or transmission service obligation, or both. The project sponsor must complete this step for any proposed project that is part of a local transmission plan necessary to meet a reliability requirement or transmission service obligation, or both, and for which the sponsor requests project cost allocation.

The data request form, which is used to submit the cost allocation data for projects seeking cost allocation, can be found on the NTTG [website](#).<sup>19</sup>

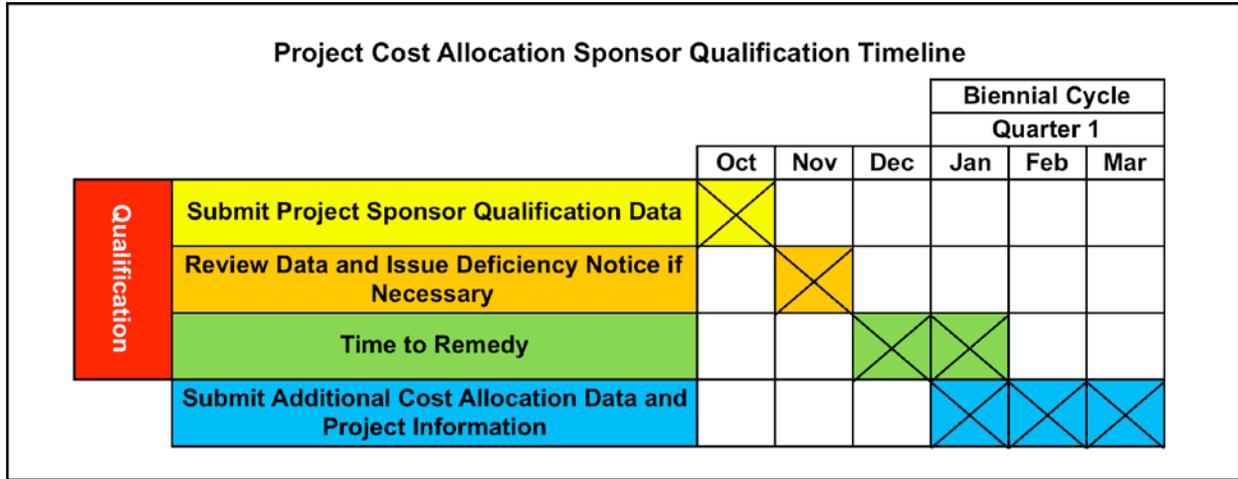


Figure 6. Project Cost Allocation Sponsor Qualification Timeline

## 4.2 Cost Allocation Methodology

### 4.2.1 Study Time Frame

The study period for determining project benefits for purposes of cost allocation will be the same 10-year study period as used in evaluating the Regional Transmission Plan.

### 4.2.2 Selection of Projects Eligible for Cost Allocation

To be selected for cost allocation by the planning committee, in cooperation with the cost allocation committee,<sup>20</sup> a transmission project must: (1) either be proposed for such purpose by a sponsoring entity that meets the qualification requirements set forth in Section 4.1.1 above, or be an unsponsored project identified in the regional planning process; (2) be selected by the Planning Committee for inclusion in the Regional Transmission Plan; (3) have an estimated cost which exceeds the lesser of (i) \$100 million or (ii) 5% of the project sponsor’s net plant in service (as of the end of the calendar year prior to the submission of the project); and (4) have total estimated project benefits to regional entities, other than the project sponsor, which exceed \$10 million of the total estimated project benefits. If the project is unsponsored, the regional entity estimated to receive the largest share of the project benefits is deemed the “project sponsor” for the sole purpose of determining whether this criterion is met.

<sup>19</sup> The data request form will include fields for the submission of cost allocation information. In addition, if a project sponsor previously submitted such information to WECC, the sponsor can direct NTTG to request the information from WECC.

<sup>20</sup> This is only a condition of selection for cost allocation, not selection of a project into the Regional Transmission Plan.

Information regarding the distribution of a transmission project's benefits is part of the information requested from the project sponsor in Quarter 1 and is used to provide a preliminary indication of a project's qualification. Although this information is reviewed by the Cost Allocation Committee, the final determination as to whether a transmission project meets these criteria occurs as part of the estimation of benefit metrics in Quarters 5 and 6 (see Section 4.2.3 below).

#### 4.2.3 Benefit Metrics and Allocation Scenarios <sup>21</sup>

For all projects selected in the Regional Transmission Plan for purposes of cost allocation, the Cost Allocation Committee uses the following benefit metrics to evaluate the project's benefits and beneficiaries for purposes of cost allocation:

- Change in annual capital-related costs. This metric captures the financial and economic impact of deferring or replacing a transmission project in the initial Regional Transmission Plan. The deferral or replacement of a project in the initial Regional Transmission Plan may result from the analysis of the initial Regional Transmission Plan with the addition of a project ("new project") proposed by an entity in Quarter 1, a project identified in the regional study process, or a new project included in a transmission provider's local transmission plan that is "rolled up". When a deferral or replacement of a "rolled up" project in the initial Regional Transmission Plan has occurred, the annual capital costs associated with the "new project" will be allocated among the new project sponsor (and any other of that project's beneficiaries) and the project sponsor of the deferred/replaced project (and any other of that project's beneficiaries). The Study Plan sets forth the methodology with respect to the type and source of input data and the calculation of annual, capital-related costs.
- Change in energy losses. This metric captures the change in energy generated to serve a given amount of load. It will be measured using multiple powerflow cases across the year of the planning horizon. The net change will be monetized as a change in annual net operating expense.
- Change in reserves. This metric is based on savings that may result when two or more balancing areas could economically share a reserve resource when unused transmission capacity remains in a proposed transmission project. This metric will estimate if there are potential sharing scenarios that would be enabled by projects considered for cost allocation. Those sharing the resource would receive allocation of this benefit. The impact of any change is monetized as an estimated change in resource annual capital and operating costs.

The change in annual capital-related costs captures benefits related to transmission needs driven by both reliability and Public Policy Requirements. That is, this benefit metric captures the extent to which a transmission project (or non-transmission alternative) may displace one or more transmission projects required to meet reliability standards (associated with serving existing, as well as new, service

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<sup>21</sup> NTTG notes that the description of the identification and evaluation of project benefits and beneficiaries is drafted for an anticipated audience of transmission planners and/or sophisticated stakeholders.

obligations) in the initial Regional Transmission Plan with lower capital-related costs, while continuing to meet all reliability standards. This same benefit metric also captures the extent to which a transmission project (or non-transmission alternative) may displace one or more transmission projects in the initial Regional Transmission Plan for purposes of meeting Public Policy Requirements because it is determined to have lower capital-related costs, while still meeting the same Public Policy Requirements.

The remaining two metrics capture benefits related to economic projects; that is, those projects that are determined to provide overall economic value, but are not strictly required in order to meet reliability standards in serving existing and new service obligations or Public Policy Requirements.

NTTG recognizes that these regional benefit metrics will not measure all the likely and potential benefits associated with a transmission project, most especially those transmission benefits based on and integral to integrated resource planning; service flexibility in service to native load; and marketable, surplus transmission capacity that may be created by the project. That is, there are likely substantial project benefits that are beyond the ambit of regional benefit metrics (so long, for example, that there is not regional resource planning and development). The application of the regional benefit metrics below for cost allocation presumes (i) that the benefits identified for regional cost allocation are necessarily a subset of a project's total future benefits and (ii) that the benefits not captured in regional metrics will likely accrue mainly to the project sponsor.

Each benefit metric is expressed as an annual change in costs (or revenue or other appropriate metric). The annual changes are discounted to a net present value for those years within the 10-year study period that the benefit or cost accrues. For example, if a transmission project scheduled for startup in Year 6, as defined by the project sponsor (i.e., Transmission Provider of merchant project), of the study period that ends in Year 10 is deferred until sometime after Year 10, the change in annual, capital-related costs would be computed for Years 6 through 10 and converted to a net present value for the beginning of the study period. The cost of capital and other parameters used in developing annual, capital-related costs will be based on data specific to the project sponsor.

In order to estimate the benefits associated with each benefit metric, during Quarters 1 and 2, the Cost Allocation Committee will create allocation scenarios for those parameters that likely affect the amount of total benefits and their distribution among beneficiaries. The variables in these scenarios may include, but are not limited to, load levels by load-serving entity and geographic location, fuel prices, and fuel and resource availability. Use of allocation scenarios recognizes that estimates of the amount and distribution of benefits may be highly uncertain and dependent on key assumptions and projections. By using scenarios that choose data across a range of outcomes for these parameters, the potential impact of these uncertainties is estimated and incorporated in the calculation of net benefits used in cost allocation. As with the benefit metrics, the Cost Allocation Committee will develop the allocation scenarios during regularly scheduled meetings, at which scenario proposals are developed

and presented and input from stakeholders is received. The resulting allocation scenarios also become part of the Study Plan during its development in Quarter 2.<sup>22</sup>

#### 4.2.4 Determination of Net Benefits and Regional Cost Allocation to Beneficiaries<sup>23</sup>

The Planning Committee, in cooperation with the Cost Allocation Committee, conducts the analyses of the benefit metrics and provides the initial, net benefits by beneficiary for each transmission project that meets the criteria set forth in Section 4.2.3 above. The initial net benefits are calculated for each transmission project for each allocation scenario. The net benefits of each scenario are the sum of the benefits (or costs) across each benefit metric. The net benefits are calculated as both an overall total and a regional total, as well as by regional beneficiary. The Cost Allocation Committee initially identifies beneficiaries as all those entities that may be affected by the proposed project based upon the benefit metric calculation. After the calculation of initial benefits, the Cost Allocation Committee will remove those entities that do not receive a benefit from the project being evaluated.

While the estimation of the benefit metrics is generally not dependent or conditioned on future contractual rights of a beneficiary, that is not necessarily true with regard to the benefits of deferred or replaced transmission projects. In such instances, in order to fulfill the function, and, therefore, fully realize the estimated benefits of deferring or replacing a transmission project, the affected transmission provider(s) may require ownership (or ownership-like) rights on the alternative transmission project or on the transmission system of the transmission provider within which the alternative transmission is embedded.<sup>24</sup> Such contractual requirements are specific to the purpose(s) of the deferred or replaced transmission project. Transmission providers whose transmission project is deferred or replaced are consulted on a case-by-case basis to determine their contractual requirements.

Before their use in allocating a project's cost, the Cost Allocation Committee will adjust, as appropriate, the calculated initial net benefits for a regional beneficiary. The adjustment criteria are as follows:

1. The net benefits attributed in any scenario are capped at 150% of the average of the unadjusted, net benefits across all allocation scenarios. For example: if the average of the net benefits to Beneficiary A for the allocation scenarios is \$10 million, the results for Beneficiary X for any individual scenario would be capped at no more than \$15 million (i.e., equal to 1.5 times

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<sup>22</sup> As discussed above, the Study Plan sets forth the data, data sources, data development, and specific methods and modeling tools for calculating each benefit metric based upon each allocation scenario. During the development of each Study Plan, the benefit metrics may be modified or augmented with additional metrics. The development of this section of the Study Plan is led by the Cost Allocation Committee during regularly scheduled meetings, at which proposals are developed and presented and input from stakeholders is received.

<sup>23</sup> NTTG will not allocate costs to beneficiaries outside the NTTG footprint, unless the beneficiary voluntarily assumes costs.

<sup>24</sup> For example, this situation may exist where a transmission project provides an alternative path to meet a transmission service request of the transmission provider that was sponsoring the deferred/replaced transmission project. In such a circumstance, the transmission provider may need rights on the alternative transmission project in order to fulfill the transmission service request.

\$10 million). In subsequent steps in the cost allocation process, the net benefits used for calculating if and how much of the project cost is allocated to Beneficiary X would reflect the capping of net benefits of individual scenario results at the \$15 million level.

2. If the average of the net benefits (as adjusted in 1. above) across the allocation scenarios is negative, the average net benefit to that beneficiary is set to zero. That is, if the average of the adjusted, net benefits to Beneficiary Y are \$-5 million (indicating that the project will cause Beneficiary Y to incur additional cost), the average is set to zero. As a result of this adjustment, an entity which potentially has negative impacts due to a project will not be allocated any project costs, but neither will it be “made whole” through the regional cost allocation process.
3. Based on the net benefits (as adjusted in 1. and 2. above) across the allocation scenarios, if the ratio of the standard deviation to the average is greater than 1.0, the average, net benefit to that beneficiary is set to zero. For example, if the sample standard deviation of the adjusted, net benefits for Beneficiary Z for the allocation scenarios is \$6.5 million and the average of the adjusted, net benefits is \$5.0 million, the ratio is 1.30 (i.e., equal to 6.5/5.0) and the average for Beneficiary Z is set to zero.

Each of these adjustments is applied to each regional beneficiary independent of other beneficiaries. The initial (and adjusted) net benefits used for each scenario are the sum of the benefits (which numerically may be positive or negative) across each of the regional metrics. A beneficiary will be included in the steps above even if only one of the benefit metrics is applicable to that beneficiary and the estimated benefits for the other benefit metrics are, by definition, zero.

The adjusted net benefits, as determined by applying the limits in the three conditions above, are used for allocating project costs proportionally to regional beneficiaries. This is provided, however, that the share of a transmission project’s cost allocated to any entity other than the project sponsor is limited such that the ratio of adjusted, net benefits to allocated cost is no less than 1.10 (or, if there is no project sponsor, no less than 1.10). The following examples demonstrate the application of the benefit-to-cost ratio:

Example 1: Project Cost = \$800M; B’s adjusted net benefits = \$483M; C’s (project sponsor) adjusted net benefits = \$520M. B is allocated \$385M (i.e., the lesser of  $\$800 * (483 / (483 + 520)) = 385$  OR  $483 / 1.10 = 439.1$ ) and C is allocated \$415M (i.e.,  $800 - 385 = 415$ ).

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

Further, if the share of a project’s cost allocated to an entity other than the project sponsor pursuant to the foregoing is less than \$2 million, the allocated share is set to zero for that entity. The remaining

share of a project's costs not allocated based on the foregoing, if any, will be allocated to the project sponsor.

## 5.0 NTTG Regional Transmission Plan Approval Process

In Quarter 8, the NTTG Planning and Cost Allocation Committees will submit the final Regional Transmission Plan and cost allocation recommendations to the Steering Committee for review and approval. The Steering Committee governance procedures and voting requirements are established in the Steering Committee Charter.

The Steering Committee will first consider the Regional Transmission Plan. The Steering Committee may approve the Study Plan as submitted or, if it determines that the approved Study Plan processes and parameters were not followed, may remand the Study Plan back to the Planning Committee.

Upon approval of the Regional Transmission Plan, the Steering Committee will consider cost allocation recommendations and may approve as submitted or it may remand a cost allocation recommendation under the following circumstances:

- Significant changes to benefits or beneficiaries;
- The approved Study Plan processes and parameters were not followed; or
- The project did not meet the project sponsor eligibility or project qualification requirements.

A remand vote will return the cost allocation recommendation back to the Cost Allocation Committee to remedy the deficiencies. The Cost Allocation Committee may then revise its recommendation or reaffirm the original recommendation and resubmit to the Steering Committee. A second remand vote by the Steering Committee will be considered a rejection of the project for cost allocation.

## 6.0 [Additional Provisions]

**[Drafting Note:** This document is intended to describe NTTG's transmission planning process. The above provisions describe the practices that were revised in response to Order 1000. Some portions of Attachment K have not materially changed as a result of Order 1000. For example, those provisions include economic study requests, participant funding, and dispute resolution. An overview of NTTG's current transmission planning processes are described in the document titled Western Systems Transmission Planning Guidance for Customer and Stakeholder Participation, which is available on NTTG's website: [http://nttg.biz/site/index.php?option=com\\_docman&task=doc\\_download&gid=501&Itemid=31](http://nttg.biz/site/index.php?option=com_docman&task=doc_download&gid=501&Itemid=31). NTTG is in the process of incorporating the unchanged processes into this document. Until then, please refer the Western Systems Transmission Planning Guidance for Customer and Stakeholder Participation.

### **III. INTERREGIONAL PLANNING PROCESS**

[Will be included in April 2013 filing – interregional planning and cost allocation process]

### **IV. INTERCONNECTION WIDE PLANNING PROCESS**

[Will be included in April 2013 filing – interconnection wide planning and cost allocation process]