

June 15, 2015

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**VIA ELECTRONIC FILING**

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

Re: *Puget Sound Energy, Inc.*, Docket Nos. ER13-99, ER15-429<sup>1</sup>  
OATT Order No. 1000 (Intraregional) Compliance Filing  
in Response to May 14 Order

Dear Secretary Bose:

Pursuant to Part 35 of the Federal Energy Regulatory Commission's ("Commission") regulations,<sup>2</sup> section 206 of the Federal Power Act,<sup>3</sup> and the Commission's order issued in the above-referenced proceedings on May 14, 2015,<sup>4</sup> Puget Sound Energy, Inc. ("PSE") hereby submits for filing in Docket No. ER13-99 PSE's revised Attachment K to its Open Access Transmission Tariff ("Tariff"). As revised, PSE's Attachment K relies, in substantial part, on PSE's participation in the ColumbiaGrid Order 1000 regional transmission planning process, as reflected in the provisions of the Second Amended and Restated Order 1000 Functional Agreement ("Second Amended Order 1000 Agreement"), to facilitate compliance with Order No. 1000.<sup>5</sup> PSE is also submitting for filing the Second Amended Order 1000 Agreement in

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<sup>1</sup> This transmittal letter will accompany both PSE's revised Attachment K and the Second Amended and Restated Order 1000 Functional Agreement, each of which is being filed separately via eTariff.

<sup>2</sup> 18 C.F.R. Part 35.

<sup>3</sup> 16 U.S.C. § 824e.

<sup>4</sup> *Avista Corporation, et al.*, 151 FERC ¶ 61,127 (2015) ("May 14 Order").

<sup>5</sup> *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, 136 FERC ¶ 61,051 (2011) ("Order No. 1000"), *order on reh'g and clarification*, 139 FERC ¶ 61,132 (2012) ("Order No. 1000-A"), *order on reh'g*, 141 FERC ¶ 61,044 (2012) ("Order No. 1000-B") (sometimes collectively referred to herein as "Order No. 1000").

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Docket No. ER15-429 as a revised version of its Rate Schedule FERC No. CG2.<sup>6</sup> PSE's revised Attachment K and the Second Amended Order 1000 Agreement constitute PSE's "Compliance Filing" submitted in response to the May 14 Order.

## **I. CONTENTS OF FILING**

PSE respectfully tenders for filing in Docket No. ER13-99 an electronic copy of the following documents:

1. This transmittal letter;
2. Redline version of PSE's Attachment K Part III and Appendix A (Attachment A); and
3. Clean version of PSE's Attachment K Part III and Appendix A (Attachment B).

PSE also respectfully tenders for filing in Docket No. ER15-429 an electronic copy of the following documents:

1. This transmittal letter;
2. Redline version of the Second Amended and Restated Order 1000 Functional Agreement as PSE's Rate Schedule FERC No. CG2 (Attachment C); and
3. Clean version of the Second Amended and Restated Order 1000 Functional Agreement as PSE's Rate Schedule FERC No. CG2 (Attachment D).

## **II. CONTACTS**

PSE respectfully requests that the following persons be included on the official service list in these proceedings and that all communications concerning this filing be addressed to them:

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<sup>6</sup> The Second Amended Order 1000 Agreement facilitates PSE's compliance with both the intraregional and the interregional requirements of Order No. 1000. See discussion herein and in PSE's February 18, 2015 interregional compliance filing in Docket No. ER13-1729.

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### **III. DESCRIPTION OF FILING**

On May 14, 2015, the Commission issued an order on compliance filing conditionally accepting subject to a further compliance filing the intraregional compliance filings submitted by PSE in the above-referenced dockets on November 17, 2014. The Commission directed PSE to submit a further compliance filing within 30 days of the issuance of the May 14 Order. Pursuant to the May 14 Order, PSE submits (i) its revised Attachment K attached hereto in Docket No. ER13-99, and (ii) the Second Amended Order 1000 Agreement as its Rate Schedule FERC No. CG2.<sup>7</sup>

#### **A. 60-Day Negotiation Period**

In the May 14 Order, the Commission accepted PSE's proposed 60-day extension in the negotiation period following application of the Order 1000 Cost Allocation Methodology to an Order 1000 Project, to allow all Governmental Non-Enrolled Parties, Order 1000 Enrolled Parties or ITP Proponents, Order 1000 Beneficiaries, and other Order 1000 Affected Persons to reach written agreement on Order 1000 Project implementation.<sup>8</sup> However, the Commission found that "the 60 day negotiation period has no conclusion and thus may run indefinitely."<sup>9</sup> The Commission directed PSE to revise the provision for extension of the initial 60-day negotiation period so that any extension period will be no longer than six months.

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<sup>7</sup> September 18 Order at P 23. In addition, PSE is proposing to submit a minor edit in Attachment K at Part III, section 1.5 to correct a typographical error, consistent with language in the Second Amended Order 1000 Agreement at section 2.5.

<sup>8</sup> May 14 Order at P 45.

<sup>9</sup> May 14 Order at P 45.

PSE has revised its Attachment K to limit the provisions for extension of the initial 60-day negotiation period (and any subsequent negotiation period) so that no such extension period is to be longer than six months (180 days).<sup>10</sup> Corresponding revisions were made to the Second Amended Order 1000 Agreement.<sup>11</sup>

## **B. Removal of Right of Conversion**

In the May 14 Order, the Commission rejected the ColumbiaGrid Public Utilities'<sup>12</sup> proposal that an eligible Enrolled Party could convert from an Order 1000 Enrolled Party to a Governmental Non-Enrolled Party.<sup>13</sup> Accordingly, PSE has revised its Attachment K to remove the provision for a non-jurisdictional transmission provider to convert from an Order 1000 Enrolled Party to a Governmental Non-Enrolled Party and to remove the reference in the definition of "Order 1000 Enrolled Party" to an Order 1000 Party that has not converted.<sup>14</sup> (The Second Amended Order 1000 Agreement includes similar revisions.<sup>15</sup>) Instead, consistent with Order No. 1000 and the June 20 Order,<sup>16</sup> PSE's revised Attachment K provides for accelerated withdrawal from the Second Amended Order 1000 Agreement for any Order 1000 Party that is "non-jurisdictional"—*i.e.*, within the definition of 16 U.S.C. § 824(f) (and hence not a "public utility" under Part II of the Federal Power Act).<sup>17</sup> This accelerated withdrawal is reflected in PSE's revised Attachment K in a provision that clarifies the effective date of withdrawal from the Second Amended Order 1000 Agreement of non-jurisdictional (and jurisdictional) Order

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<sup>10</sup> Attachment K at Part III, section 6.4.

<sup>11</sup> Second Amended Order 1000 Agreement at section 6.4 of Appendix A.

<sup>12</sup> The May 14 Order refers to Avista Corporation, PSE, and MATL LLP collectively as the "ColumbiaGrid Public Utilities."

<sup>13</sup> May 14 Order at P 46. PSE notes that the Commission previously expressly authorized expedited withdrawal for such parties. June 20 Order at P 270. Contrary to the conversion that was rejected by the Commission, a non-jurisdictional entity that is an Order 1000 Enrolled Party and exercises its right to accelerated withdrawal will no longer be Enrolled and no longer be a party to the Second Amended Order 1000 Agreement.

<sup>14</sup> Attachment K at Part III, section 1.8 and at Appendix A, item A.50.

<sup>15</sup> Second Amended Order 1000 Agreement at sections 14.17 and 1.37.

<sup>16</sup> *Avista Corp., et al.*, 143 FERC ¶ 61,255, P 270 (2013) ("June 20 Order"); Order No. 1000-A at P 622 n.734.

<sup>17</sup> Attachment K at Part III, section 1.10.

1000 Enrolled Parties.<sup>18</sup> The Second Amended Order 1000 Agreement includes a similar provision.<sup>19</sup>

### **C. Definition of “Order 1000 Need”**

In its November 17, 2014 compliance filing, PSE revised the definition of “Order 1000 Need” to clarify that an Order 1000 Need specifically excluded specific transmission service requests and native and network load requirements of any Enrolled Party, unless requests or requirements may be addressed by a solution that addresses other needs for transmission facilities driven by reliability requirements, economic considerations, or Public Policy Requirements of Enrolled Parties. In the May 14 Order, the Commission found that such revisions were outside the scope of the proceeding and were not needed to comply with the directives of the September 18 Order and, therefore, rejected those revisions.<sup>20</sup>

In accordance with the May 14 Order, PSE has revised the definition of “Order 1000 Need” in its Attachment K to remove the revisions that were made as part of its last compliance filing.<sup>21</sup> The Second Amended Order 1000 Agreement includes similar revisions to the definition of “Order 1000 Need”.<sup>22</sup>

### **D. Time to Execute the Second Amended Order 1000 Agreement**

In response to the September 18 Order,<sup>23</sup> PSE clarified the point in the regional transmission planning process at which a transmission developer was required to execute the Amended Order 1000 Agreement.<sup>24</sup> Specifically, PSE revised its Attachment K and the Amended Order 1000 Functional Agreement to clarify that, to become an Order 1000 Enrolled Party, and therefore have the ability to participate in Order 1000 transmission planning under the Amended Order 1000 Agreement as an Order 1000 Party during any calendar year, a Person must become an Order 1000 Enrolled Party (i.e., execute the Amended Order 1000 Agreement as

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<sup>18</sup> Attachment K at Part III, section 1.10.

<sup>19</sup> Second Amended Order 1000 Agreement at section 13.1.

<sup>20</sup> May 14 Order at P 49.

<sup>21</sup> Attachment K at Appendix A, item A53.

<sup>22</sup> Second Amended Order 1000 Agreement at section 1.40.

<sup>23</sup> *Avista Corp., et al.*, 148 FERC ¶ 61,212 (2014) (“September 18 Order”).

<sup>24</sup> *See* September 18 Order at P 141.

an Order 1000 Enrolled Party) “not later than thirty days after the occurrence of the Order 1000 Needs Meeting during such year.”<sup>25</sup>

In the May 14 Order, the Commission rejected the proposal to require transmission developers to execute the Order 1000 Functional Agreement within 30 days after the occurrence of the Order 1000 Needs Meeting because, according to the Commission, it would not “allow a prospective transmission developer to get far enough in the study process to accurately assess whether or not to execute the Amended Functional Agreement so that it can later request regional cost allocation for a proposed transmission project that it has sponsored.”<sup>26</sup> Accordingly, the Commission directed PSE to revise its Attachment K to extend the point in the regional transmission planning process at which a transmission developer may execute the Amended Functional Agreement to 30 days after the posting of the Final System Assessment and Order 1000 Needs Statements.<sup>27</sup>

As directed by the May 14 Order, PSE has revised its Attachment K to provide: “No Person may become an Order 1000 Enrolled Party during any calendar year unless such Person has become an Order 1000 Enrolled Party not later than thirty days after the posting of the Final System Assessment Report and the Order 1000 Need Statements for such calendar year.”<sup>28</sup> The Second Amended Order 1000 Agreement has also been revised to extend the point in the regional transmission planning process at which a transmission developer is required to execute the Second Amended Order 1000 Agreement to 30 days after the posting of the Final System Assessment and Order 1000 Need Statements.<sup>29</sup>

#### **E. Definition of Order 1000 Non-Incumbent Transmission Developer**

In the May 14 Order, the Commission noted that PSE previously defined an Order 1000 Non-Incumbent Transmission Developer as an Enrolled Party that (1) proposes to, but does not currently, own or operate transmission facilities in ColumbiaGrid or any other transmission

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<sup>25</sup> Amended Order 1000 Agreement at section 12.2; prior version of Attachment K at Part III, section 1.9.

<sup>26</sup> May 14 Order at P 59.

<sup>27</sup> May 14 Order at P 59.

<sup>28</sup> Attachment K at Part III, section 1.9. Attachment K at Part III, section 3.2.5 and Second Amended Order 1000 Agreement at section 3.2.5 of Appendix A address posting of Order 1000 Need Statements. Attachment K at Part III, section 3.5, and Second Amended Order 1000 Agreement at section 3.5 of Appendix A have been revised to expressly address posting of Final System Assessment Reports.

<sup>29</sup> Second Amended Order 1000 Agreement at section 12.2.

planning region; (2) is not enrolled in any transmission planning region other than ColumbiaGrid; and (3) is not a signatory to the PEFA.<sup>30</sup> The Commission found that this definition was inconsistent with Order No. 1000, which defines a nonincumbent transmission developer as (1) a transmission developer that does not have a retail distribution territory or footprint<sup>31</sup> or (2) a public utility transmission provider that proposes a transmission project outside of its existing retail distribution service territory or footprint, where it is not the incumbent for purposes of that project.<sup>32</sup> The Commission noted that:

Order No. 1000's definition of nonincumbent does not exclude those transmission developers who do not own or operate transmission facilities or enroll in a transmission planning region other than the transmission planning region in which they are proposing a transmission project. Nor does the definition prevent a nonincumbent transmission developer from being enrolled in a transmission planning region other than the transmission planning region in which it is proposing a transmission project. Moreover, a transmission developer that has signed the pre-Order No. 1000 PEFA, but either wishes to propose a transmission project outside of its retail distribution service territory or footprint, would under the definition adopted in Order No. 1000 be considered a nonincumbent transmission developer.<sup>33</sup>

The Commission has previously accepted provisions that prohibit a transmission provider from enrolling in ColumbiaGrid if it is enrolled in a different transmission planning region. June 20 Order at P 43. This approach helps ensure that there is no ambiguity regarding the definition

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<sup>30</sup> May 14 Order at P 67.

<sup>31</sup> In Order No. 1000-A, the Commission clarified in paragraph 420 that “the phrase ‘retail distribution,’ as used in the definitions of incumbent transmission developer/provider, nonincumbent transmission developer and local transmission facility, does not modify footprint. Instead, the term ‘footprint,’ as used in these definitions was intended to include, but not be limited to, the location of the transmission facilities of a transmission-only company that owns and/or controls the transmission facilities of formerly vertically-integrated utilities, as well as the location of the transmission facilities of any other transmission-only company.” Consistent with this clarification, PSE’s proposed definition of Order 1000 Non-Incumbent Transmission Developer (as set forth below) includes language that clarifies that any Order 1000 Enrolled Party that currently owns or operates transmission facilities in the Order 1000 ColumbiaGrid Planning Region is not an Order 1000 Non-Incumbent Transmission Developer.

<sup>32</sup> May 14 Order at P 67 (citing Order No. 1000 at P 225).

<sup>33</sup> May 14 Order at P 67.

of the Order 1000 ColumbiaGrid Planning Region and thus also helps ensure that projects are properly characterized as intraregional or interregional and, therefore, obtain the appropriate cost allocation. The facilities of a project proposed to be owned or operated by a transmission provider/developer (other than a Non-Incumbent Transmission Developer with respect to such facilities) that is Enrolled in a neighboring Order 1000 transmission planning region, for example, may be an Interregional Transmission Project, but cannot be an intraregional transmission project in the Order 1000 ColumbiaGrid Planning Region. See Second Amended Order 1000 Agreement at section 1.37 and Attachment K at Appendix A, item A.50 (definition of “Enrolled Party”); see also Second Amended Order 1000 Agreement at section 1.54 and Attachment K at Appendix A, item A.66 (definition of “Order 1000 Transmission System”). In the absence of provisions to such effect, there could be ambiguity as to whether certain proposed transmission facilities should be treated as an intraregional or interregional project.

As required by the May 14 Order, PSE has revised the definition of “Order 1000 Non-Incumbent Transmission Developer” to mean:

with respect to transmission facilities proposed by an Order 1000 Enrolled Party, such Order 1000 Enrolled Party if such proposed transmission facilities are in the Order 1000 ColumbiaGrid Planning Region and either

(i) such Order 1000 Enrolled Party proposes to, but does not currently, own or operate transmission facilities in the Order 1000 ColumbiaGrid Planning Region and does not have a retail distribution service territory or footprint in the Order 1000 ColumbiaGrid Planning Region; or

(ii) such proposed transmission facilities would not directly interconnect electrically with existing transmission facilities owned or operated by such Order 1000 Enrolled Party and are outside any retail distribution service territory or footprint of such Order 1000 Enrolled Party.<sup>34</sup>

This proposed definition of “Order 1000 Non-Incumbent Transmission Developer” is consistent with the Order No. 1000 definition of nonincumbent transmission developer.

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<sup>34</sup> Second Amended Order 1000 Agreement at section 1.44; Attachment K at Appendix A, item A.57.

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**IV. SERVICE**

PSE will post a copy of this submittal on its OASIS and will serve a copy of this submittal to all parties on the official service list in Docket Nos. ER13-98, ER13-99 and ER15-429.

**V. EFFECTIVE DATE AND WAIVER**

PSE requests an effective date for its Attachment K submitted in this Compliance Filing of June 16, 2015. To the extent necessary, PSE requests waiver of any applicable requirements of 18 C.F.R. Part 35 in order to allow its Compliance Filing submitted herein to become effective in the manner described herein.

**VI. CONCLUSION**

For the reasons set forth above, PSE respectfully requests that the Commission accept its Compliance Filing submitted herewith.

Respectfully submitted,

PERKINS COIE LLP

*/s/ Donald G. Kari*

Donald G. Kari

Enclosures

**EXECUTED VERSION OF COLUMBIAGRID  
SECOND AMENDED AND RESTATED  
ORDER 1000 FUNCTIONAL AGREEMENT**

**COLUMBIAGRID**

**SECOND AMENDED AND RESTATED ORDER 1000 FUNCTIONAL AGREEMENT**

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## COLUMBIAGRID

### SECOND AMENDED AND RESTATED ORDER 1000 FUNCTIONAL AGREEMENT

This Second Amended and Restated Order 1000 Functional Agreement (“Order 1000 Agreement”) is entered into as of June 12, 2015, by and among ColumbiaGrid, a Washington non-profit corporation, and Avista Corporation, Puget Sound Energy, Inc., and MATL LLP.

#### RECITALS

A. ColumbiaGrid facilitates multi-system transmission planning on behalf of Planning Parties pursuant to the Planning and Expansion Functional Agreement (filed in Commission Docket No. ER07-523), as amended by the amendment filed in Commission Docket No. ER08-457 and as amended by the amendment filed in Commission Docket No. ER10-585, and as may be amended hereafter from time to time (“PEFA”);

B. ColumbiaGrid is to facilitate, in accordance with this Order 1000 Agreement, the performance of certain transmission planning processes pursuant to Order 1000 on behalf of the Order 1000 Enrolled Parties and ITP Proponents;

C. ColumbiaGrid is also to facilitate, in accordance with this Order 1000 Agreement, the performance of certain regional transmission planning processes on behalf of Governmental Non-Enrolled Parties;

D. As of December 17, 2013, ColumbiaGrid, Avista Corporation, Puget Sound Energy, Inc., and MATL LLP entered into an “Order 1000 Functional Agreement” (sometimes referred to in this Order 1000 Agreement as the “2013 Order 1000 Functional Agreement”);

E. As of November 16, 2014, ColumbiaGrid, Avista Corporation, Puget Sound Energy, Inc., and MATL LLP entered into a First Amended and Restated Order 1000 Functional Agreement (sometimes referred to in this Order 1000 Agreement as the “2014 Order 1000 Functional Agreement”), which upon the “Effective Date” specified therein superseded and replaced in its entirety the 2013 Order 1000 Functional Agreement; and

F. As of June 12, 2015, ColumbiaGrid, Avista Corporation, Puget Sound Energy, Inc., and MATL LLP entered into this Second Amended and Restated Order 1000 Functional Agreement (“Order 1000 Agreement”), which upon the Effective Date supersedes and replaces in their entirety the 2013 Order 1000 Functional Agreement and the 2014 Order 1000 Functional Agreement.

#### 1. Definitions

1.1 “Additional Regional Costs from Interregional Cost Allocation” shall have the meaning set forth in item (v) of section 8.4 of Appendix A.

1.2 [Reserved]

1.3 “Agreement Limiting Liability Among Western Interconnected Systems” or “WIS Agreement” means at any time the Agreement Limiting Liability Among Western Interconnected Systems as it may have then been amended.

1.4 “Annual Interregional Coordination Meeting” shall have the meaning set forth in section 7.3 of Appendix A.

1.5 “Annual Interregional Information” shall have the meaning set forth in section 7.2 of Appendix A.

1.6 “Assigned Regional Costs from Interregional Cost Allocation” means, with respect to an ITP, ColumbiaGrid’s assigned *pro rata* share of the projected costs of such ITP calculated pursuant to item (d) of section 7.5.2 of Appendix A and item (iii) of section 8.4 of Appendix A. Assigned Regional Costs from Interregional Cost Allocation may be recalculated as a result of application of sections 5.2 or 7.6.2 of Appendix A.

1.7 “Benefit to Cost Ratio” means the ratio as may be determined pursuant to section 6.3.2 of Appendix A.

1.8 “Biennial Plan” means each biennial transmission plan adopted by the Board pursuant to section 2 of this Order 1000 Agreement. A “Draft Biennial Plan” refers to a draft of a Biennial Plan presented by Staff to the Board for adoption pursuant to section 2 of this Order 1000 Agreement but not yet adopted by the Board.

1.9 “Board of Directors” or “Board” means the Board of Directors of ColumbiaGrid.

1.10 “Bylaws” means the then-current bylaws of ColumbiaGrid.

1.11 “Claims Committee” means a committee established pursuant to section 8.4.2 of this Order 1000 Agreement upon the receipt of a claim or prior to such time.

1.12 “ColumbiaGrid Planning Region” means the transmission systems that Planning Parties own or operate, or propose to own or operate, in the Regional Interconnected Systems.

1.13 “Commission” means the Federal Energy Regulatory Commission or any successor entity.

1.14 “Confidential Information” means: all information, regardless of the manner in which it is furnished, marked as “Confidential Information” at the time of its furnishing; *provided that* Confidential Information shall not include information: (i) in the public domain or generally available or known to the public; (ii) disclosed to a recipient by a Third Person who had a legal right to do so; (iii) independently developed by the receiving party or known to such party prior to its disclosure under this Order 1000 Agreement; (iv) normally disclosed by entities in the Western Interconnection without limitation; (v) disclosed in aggregate form; or (vi) required to be disclosed without a protective order or confidentiality agreement by subpoena, law, or other directive of a court, administrative agency, or arbitration panel.

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

1.16 “Effective Date” shall have the meaning set forth in section 12 of this Order 1000 Agreement.

1.17 “Electric System” shall have the meaning given for the words “electric system” in the WIS Agreement and means (i) electric distribution facilities or (ii) generation facilities or (iii) transmission facilities, or any combination of the three, and includes transmission lines, distribution lines, substations, switching stations, generating plants, and all associated equipment for generating, transmitting, distributing, or controlling flow of power. The Electric System of a Person includes the facilities of another entity operated or controlled by such Person. Electric System includes any devices or equipment (a) by which information is originated on an electric system or by the Person operating such system, (b) by which such information is transmitted, and (c) by which such information is received either for information or for operation of a system, whether by the originating system or by another system.

1.18 “Enrolled” refers to a Person’s status as enrolled in an Order 1000 Planning Region, such that such Person is subject to such Order 1000 Planning Region’s planning processes (including cost allocations) in accordance with the requirements of Order 1000 as implemented by such Order 1000 Planning Region. A Person is Enrolled in the Order 1000 ColumbiaGrid Planning Region if and at such times as

- (i) such Person is an Order 1000 Party in accordance with the provisions of this Order 1000 Agreement and has not withdrawn (and has not been deemed to have withdrawn) from this Order 1000 Agreement pursuant to section 13 of this Order 1000 Agreement; and
- (ii) such Person is neither a Governmental Non-Enrolled Party nor an ITP Proponent.

Any Order 1000 Enrolled Party is expressly Enrolled in the Order 1000 ColumbiaGrid Planning Region and is to be listed as Enrolled in the Order 1000 ColumbiaGrid Planning Region in each Order 1000 Enrolled Party’s open access transmission tariff. Any Governmental Non-Enrolled Party and any ITP Proponent is not Enrolled in the Order 1000 ColumbiaGrid Planning Region.

1.19 “Governmental Non-Enrolled Party” means any Order 1000 Party that (i) is within the definition of 16 U.S.C. § 824(f) (and hence is not a “public utility” under Part II of the Federal Power Act), (ii) is a Planning Party, and (iii) has elected pursuant to section 14.17 of this Order 1000 Agreement to be a Governmental Non-Enrolled Party.

1.20 “Governmental Non-Enrolled Party Non-Transmission Alternative” means an alternative that does not involve the construction of transmission facilities and that ColumbiaGrid has determined would result in the elimination or deferral of a transmission need of a Governmental Non-Enrolled Party by modifying the loads or resources reflected in the system assessments. Examples of such alternatives that may constitute Governmental Non-Enrolled Party Non-Transmission Alternatives may include demand-side load reduction

programs, peak-shaving projects, and distributed generation. The following examples are specifically excluded from Governmental Non-Enrolled Party Non-Transmission Alternatives: remedial action schemes, shunt capacitors, and reconductoring.

1.21 “Incremental Costs” shall have the meaning set forth in section 3.3 of this Order 1000 Agreement.

1.22 “Interested Person” means any Person who has expressed an interest in the business of ColumbiaGrid and has requested notice of its public meetings. Such Interested Persons will be identified on the “Interested Persons List” compiled by ColumbiaGrid in accordance with Section 4.2 of the Bylaws. For purposes of section 7 of Appendix A, Interested Persons are referred to as stakeholders.

1.23 “Interregional Cost Allocation” means the assignment of ITP costs between or among Relevant Planning Regions as described in section 7.5.2 of Appendix A.

1.24 “Interregional Transmission Project” or “ITP” means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Order 1000 Planning Regions and that is submitted into the regional transmission planning processes of all such Order 1000 Planning Regions in accordance with section 7.4.1 of Appendix A.

1.25 “Interregional Transmission Project Proponent” or “ITP Proponent” means an Order 1000 Party that (i) has pursuant to section 14.17 of this Order 1000 Agreement indicated that it is an ITP Proponent, (ii) is not Enrolled in the Order 1000 ColumbiaGrid Planning Region, and (iii) is Enrolled in an Order 1000 Planning Region (other than the Order 1000 ColumbiaGrid Planning Region).

For purposes of section 7 of Appendix A, a proponent of an ITP that is either an ITP Proponent or an Order 1000 Enrolled Party is referred to as a proponent of an ITP.

1.26 “Local Transmission Plan” means, with respect to an Order 1000 Party, a plan that identifies planned new transmission facilities and facility replacements or upgrades for such Order 1000 Party’s transmission system.

1.27 “Order 1000” means the Commission’s Order No. 1000 (*Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, 136 FERC ¶ 61,051 (2011), *order on rehearing and clarification*, 139 FERC ¶ 61,132 (2012), *order on rehearing and clarification*, 141 FERC ¶ 61,044 (2012), *affirmed sub nom. S. C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014)), as it may be amended, supplemented, or superseded from time to time.

1.28 “Order 1000 Affected Persons” means, with respect to an ITP, Order 1000 Project, Order 1000 Eligible Project or Order 1000 Proposed Project, those Order 1000 Parties and other Persons that would bear Order 1000 Material Adverse Impacts from such project or are otherwise materially affected thereby.

1.29 “Order 1000 Agreement” means this Order 1000 Functional Agreement, including Appendix A attached hereto.

1.30 “Order 1000 Beneficiary” means, with respect to an Order 1000 Project, any Order 1000 Enrolled Party that is identified in an Order 1000 Cost Allocation Report as an Order 1000 Beneficiary that would receive Order 1000 Benefits as a direct result of such Order 1000 Project. Solely for purposes of any Preliminary Cost Allocation performed pursuant to item (a) of the second paragraph of section 6 of Appendix A, any Governmental Non-Enrolled Party shall be deemed to be an Order 1000 Beneficiary, in accordance with section 1.31.

1.31 “Order 1000 Benefits” means, with respect to an Order 1000 Project and as more fully described in section 6.2.2 of Appendix A, the Order 1000 Benefits of any Order 1000 Beneficiary, which shall be equal to the sum of:

- (i) the projected costs that such Order 1000 Beneficiary is projected to avoid over the Planning Horizon due to elimination or deferral, as a direct result of such Order 1000 Project, of planned additions of transmission facilities in the Order 1000 ColumbiaGrid Planning Region, plus;
- (ii) if and to the extent not reflected in item (i) above, the value that such Order 1000 Beneficiary is projected to realize on its Order 1000 Transmission System over the Planning Horizon, as a direct result of such Order 1000 Project, where such value is equal to the lesser of:
  - (a) the projected costs (excluding any projected costs included in item (i) above) that such Order 1000 Beneficiary would, but for such Order 1000 Project, have otherwise incurred over the Planning Horizon to achieve an increase in capacity on its Order 1000 Transmission System equivalent to that resulting from such Order 1000 Project; or
  - (b) the projected changes in revenues based on cost-based transmission rates over the Planning Horizon to such Order 1000 Beneficiary directly resulting from such Order 1000 Project or such Order 1000 Project’s elimination or deferral of planned transmission facilities, which projected changes in revenues shall be based on projected changes of usage of such Order 1000 Beneficiary’s Order 1000 Transmission System that are projected, using a robust economic analysis (including production cost, power flow, and stability analyses and evaluation of transmission queues, as described in section 6.2.1 of Appendix A) and are repeatable over a wide range of reasonable assumptions, to result over the Planning Horizon from the projected changes in capacity on such Order 1000 Beneficiary’s

Order 1000 Transmission System resulting from such Order 1000 Project or such Order 1000 Project's elimination or deferral of planned transmission facilities.

Solely for purposes of any Preliminary Cost Allocation performed pursuant to item (a) of the second paragraph of section 6 of Appendix A, (a) Order 1000 Benefits shall be deemed to include benefits calculated, pursuant to this section 1.31 and section 6.2.2 of Appendix A, for each Governmental Non-Enrolled Party as if it were an Order 1000 Enrolled Party, and (b) each such Governmental Non-Enrolled Party shall be deemed to be the Order 1000 Beneficiary with respect to the benefits, if any, so calculated for it.

1.32 “Order 1000 ColumbiaGrid Planning Region” means the Order 1000 Transmission Systems of Order 1000 Enrolled Parties.

1.33 “Order 1000 Cost Allocation” means an allocation, using the Order 1000 Cost Allocation Methodology, pursuant to item (b) of the second paragraph of section 6 of Appendix A, of projected costs of an Order 1000 Project among one or more Order 1000 Beneficiaries with respect to such Order 1000 Project that is approved by the Board pursuant to section 11.4 of Appendix A. An Order 1000 Cost Allocation with respect to an Order 1000 Project is approved by the Board if and on such date as the Board approves such Order 1000 Project and Order 1000 Cost Allocation for inclusion in a Plan pursuant to section 11.4.

1.34 “Order 1000 Cost Allocation Methodology” means the cost allocation methodology set out in section 6.3 of Appendix A.

1.35 “Order 1000 Cost Allocation Report” means the report with respect to an Order 1000 Cost Allocation prepared by Staff and approved by the Board and included in the Plan in accordance with sections 6.4 and 11.4 of Appendix A.

1.36 “Order 1000 Eligible Project” means an Order 1000 Proposed Project that is identified as described in section 5.1 of Appendix A as an Order 1000 Eligible Project.

1.37 “Order 1000 Enrolled Party” means any Order 1000 Party (whether incumbent or nonincumbent) that

- (i) is an Order 1000 Enrolled Party pursuant to section 14.17 of this Order 1000 Agreement; and
- (ii) has not withdrawn (and has not been deemed to have withdrawn) from this Order 1000 Agreement pursuant to section 13 of this Order 1000 Agreement.

For the avoidance of doubt, specifically excluded from being an Order 1000 Enrolled Party are (a) any Person that is Enrolled in any Order 1000 Planning Region in the RIS other than the Order 1000 ColumbiaGrid Planning Region, (b) any Person that has elected pursuant to section 14.17 of this Order 1000 Agreement to be a Governmental Non-Enrolled Party, and (c) any Person that is pursuant to section 14.17 of this Order 1000 Agreement an ITP Proponent; *provided that* an Order 1000 Non-Incumbent Transmission Developer may be Enrolled in the

Order 1000 ColumbiaGrid Planning Region with respect to the proposed transmission facilities of such Non-Incumbent Transmission Developer in the Order 1000 ColumbiaGrid Planning Region identified pursuant to section 14.17 of this Order 1000 Agreement and also Enrolled in another Order 1000 Planning Region.

1.38 “Order 1000 Material Adverse Impacts” means, with respect to any solution to an Order 1000 Need (or other transmission need for which a solution is identified under this Order 1000 Agreement) a reduction of transmission capacity on a transmission system (or other adverse impact on such transmission system that is generally considered in transmission planning in the Western Interconnection) due to such solution that is material, that would result from such solution, and that is unacceptable to the Person that owns or operates such transmission system. For purposes of this Order 1000 Agreement, Order 1000 Material Adverse Impacts are considered mitigated if there would not be any Order 1000 Material Adverse Impacts due to such solution.

1.39 “Order 1000 Merchant Transmission Project” means existing or planned transmission facilities for which the costs are recovered or intended to be recovered through negotiated rates and are therefore not eligible for Order 1000 Cost Allocation.

1.40 “Order 1000 Need” means any need for transmission facilities, as identified in a System Assessment Report pursuant to section 3 of Appendix A, in the Order 1000 ColumbiaGrid Planning Region, including any such need that is driven by reliability requirements, addresses economic considerations, or is driven by Public Policy Requirements. “Order 1000 Potential Need” is an item that is proposed or considered for inclusion in the system assessment for possible identification in the System Assessment Report as an Order 1000 Need. For purposes of section 7 of Appendix A, an Order 1000 Need in the Order 1000 ColumbiaGrid Planning Region is referred to as a regional transmission need.

1.41 “Order 1000 Need Statement” means, with respect to an Order 1000 Need, a statement developed by Staff pursuant to section 3 of Appendix A and included for informational purposes in a Plan. A “Draft Order 1000 Need Statement” means a proposal for an Order 1000 Need Statement as described in section 3 of Appendix A.

1.42 “Order 1000 Needs Factors” shall have the meaning set forth in section 2.2 of Appendix A.

1.43 “Order 1000 Needs Meeting” means the annual meeting provided for in section 3.1 of Appendix A to discuss Order 1000 Potential Needs that should be included in the upcoming system assessment.

1.44 “Order 1000 Non-Incumbent Transmission Developer” means, with respect to transmission facilities proposed by an Order 1000 Enrolled Party, such Order 1000 Enrolled Party if such proposed transmission facilities are in the Order 1000 ColumbiaGrid Planning Region and either

- (i) such Order 1000 Enrolled Party proposes to, but does not currently, own or operate transmission facilities in the Order 1000 ColumbiaGrid Planning Region and does not have a retail

distribution service territory or footprint in the Order 1000 ColumbiaGrid Planning Region; or

- (ii) such Order 1000 Enrolled Party proposes to, but does not currently, own or operate transmission facilities in the Order 1000 ColumbiaGrid Planning Region and such proposed transmission facilities are outside any retail distribution service territory or footprint of such Order 1000 Enrolled Party.

1.45 “Order 1000 Non-Transmission Alternative” means an alternative that does not involve the construction of transmission facilities and that ColumbiaGrid has determined would result in the elimination or deferral of an Order 1000 Need of an Order 1000 Enrolled Party by modifying the loads or resources reflected in the system assessments. Examples of such alternatives that may constitute Order 1000 Non-Transmission Alternatives may include demand-side load reduction programs, peak-shaving projects, and distributed generation. The following examples are specifically excluded from Order 1000 Non-Transmission Alternatives: remedial action schemes, shunt capacitors, and reconductoring.

1.46 “Order 1000 Party” means each signatory, other than ColumbiaGrid, to this Order 1000 Agreement.

1.47 “Order 1000 Planning Criteria” means the then-current planning standards that ColumbiaGrid shall apply, as provided in section 2.1 of Appendix A, in any system assessment, System Assessment Report, or Order 1000 Need Statement, with respect to Order 1000 Need(s), Interregional Transmission Project(s), Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), and Order 1000 Projects.

1.48 “Order 1000 Planning Region” means each of the following Order 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, Order 1000 ColumbiaGrid Planning Region, Northern Tier Transmission Group, and WestConnect. For purposes of section 7 of Appendix A, Order 1000 Planning Region is referred to as a Planning Region.

1.49 [Reserved]

1.50 “Order 1000 Project” means any Order 1000 Eligible Project, if and for so long as: (i) it has been selected as an Order 1000 Project in accordance with section 5.3 of Appendix A; (ii) all Order 1000 Enrolled Parties and ITP Proponents that timely requested Order 1000 Cost Allocation for such project have not withdrawn such requests in accordance with section 5.2 of Appendix A (whether such withdrawal(s) is before or after inclusion of such project in a Plan); (iii) the Benefit to Cost Ratio for such project has not been determined pursuant to section 6.3.2 of Appendix A to be less than 1.25; (iv) an agreement on implementation of such project is not reached in accordance with section 5.4 of Appendix A or section 6.4 of Appendix A; and (v) such project has not been removed from a Plan as an Order 1000 Project pursuant to sections 3.3 and 11.4.1 of Appendix A.

For purposes of the cost allocation provisions of this Order 1000 Agreement, transmission facilities of an ITP may be deemed to be an Order 1000 Project notwithstanding the

fact that the selection of an ITP as an Order 1000 Project under this Order 1000 Agreement occurs after cost allocation calculations have been performed with respect to such ITP.

1.51 “Order 1000 Proposed Project” means proposed transmission facilities that

- (i) are in the Order 1000 ColumbiaGrid Planning Region; or
- (ii) are an ITP

that are included in a plan of service developed by a Study Team and that address an Order 1000 Need(s). Proposed transmission facilities in a plan of service that are not an ITP and that would directly interconnect electrically with existing or planned transmission facilities that are not in the Order 1000 ColumbiaGrid Planning Region are specifically excluded from being an Order 1000 Proposed Project. Order 1000 Proposed Project specifically excludes any Order 1000 Merchant Transmission Project.

1.52 “Order 1000 Proposed Staff Solution” shall have the meaning set forth in section 4.4 of Appendix A.

1.53 “Order 1000 Replication Data” means basic criteria, assumptions, and data necessary to replicate the results of ColumbiaGrid’s planning studies performed pursuant to this Order 1000 Agreement with respect to any Order 1000 Potential Need, Order 1000 Need, Order 1000 Proposed Project, Order 1000 Eligible Project, Order 1000 Project, or ITP.

1.54 “Order 1000 Transmission System” means

- (i) the existing or proposed transmission facilities in the Regional Interconnected Systems of any Order 1000 Enrolled Party that is a Planning Party; and
- (ii) the proposed transmission facilities in the Regional Interconnected Systems of any Order 1000 Enrolled Party that is an Order 1000 Non-Incumbent Transmission Developer with respect to such proposed transmission facilities;

*provided that* Order 1000 Transmission System specifically excludes any existing or proposed transmission facilities in any Order 1000 Planning Region other than the Order 1000 ColumbiaGrid Planning Region.

1.55 “Pacific Northwest” means (i) the sub region within the Western Interconnection comprised of Alberta, British Columbia, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming; and (ii) any portions of the area defined in 16 U.S.C. § 839a(14) that are not otherwise included in (i).

1.56 “Party” means a signatory to the PEFA.

1.57 “PEFA” shall have the meaning set forth in Recital A of this Order 1000 Agreement.

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

1.59 “Plan” means at any time the then-current Biennial Plan, as then revised by any Plan Updates. A “Draft Plan” refers to a Draft Biennial Plan or a Draft Plan Update. For purposes of section 7 of Appendix A, a Plan in the Order 1000 ColumbiaGrid Planning Region is referred to as a regional transmission plan.

1.60 “Plan Update” means an update to the then-current Plan adopted by the Board pursuant to section 2.4 of this Order 1000 Agreement. A “Draft Plan Update” means a plan update presented by Staff to the Board for adoption but not yet adopted by the Board.

1.61 “Planning Cycle” means a period of approximately 24 months during which a Draft Biennial Plan is to be prepared and presented to the Board for adoption and during which a Biennial Plan is to be subsequently adopted by the Board.

1.62 “Planning Horizon” means, with respect to any Biennial Plan (or Plan Update), the period for which the system assessment for such Biennial Plan (or Plan Update) is made, which period shall be the longer of (i) ten years or (ii) the planning period required by the Commission in its pro forma open access transmission tariff, as it may be amended from time to time.

1.63 “Planning Party” means each Party to the PEFA other than ColumbiaGrid. ColumbiaGrid shall maintain a list of the Planning Parties on the Website.

1.64 “Preliminary Cost Allocation” means a cost allocation pursuant to section 6 of Appendix A that has not been approved by the Board pursuant to section 11.4 of Appendix A.

1.65 “Preliminary Cost Allocation Report” means, with respect to an Order 1000 Project, the Staff’s preliminary cost allocation report prepared in accordance with section 6.4 of Appendix A.

1.66 “Public Policy Requirements” means enacted statutes (*i.e.*, passed by the legislature and signed by the executive) and regulations promulgated by a relevant jurisdiction, whether within a state or at the federal level.

1.67 “Regional Benefits for Purposes of Interregional Cost Allocation” means, with respect to an ITP, an amount equal to the sum of the aggregate Order 1000 Benefits calculated in accordance with the provisions of section 1.31 of this Order 1000 Agreement for any Order 1000 Beneficiary(ies) of such ITP. For purposes of items (ii) and (c) of section 7.5.2 of Appendix A, Regional Benefits for Purposes of Interregional Cost Allocation is referred to as ColumbiaGrid’s regional benefits stated in dollars resulting from the ITP.

1.68 “Regional Interconnected Systems” or “RIS” means the transmission systems in the Pacific Northwest.

1.69 “Relevant Planning Regions” means, with respect to an ITP, the Order 1000 Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with section 7.4.2 of Appendix A, at which time it shall no longer be considered a Relevant Planning Region.

1.70 “Relevant State or Provincial Agency” means any State or Provincial agency with authority over energy regulation, transmission, or planning that has expressed an interest in the ColumbiaGrid transmission planning processes and has requested to be included on the Interested Persons List. For example, these may include the Washington Utilities and Transportation Commission, Idaho Public Utilities Commission, Oregon Public Utility Commission, Washington Department of Commerce (specifically the Energy Office within that department), Washington Energy Facility Site Evaluation Council, and the appointees to the Northwest Power and Conservation Council. If requested by a governor in the Pacific Northwest, Relevant State and Provincial Agency may also include a representative from such governor’s office. For the purposes of this Order 1000 Agreement, the term also includes any successor to these agencies.

1.71 “Staff” means the ColumbiaGrid staff, officers, or consultants hired or retained by ColumbiaGrid to perform the Staff’s responsibilities under this Order 1000 Agreement. The activities of Staff under this Order 1000 Agreement will be performed under the supervision and guidance of the ColumbiaGrid Board.

1.72 “Study Team” with respect to an Order 1000 Proposed Project being developed means a team that is comprised of ColumbiaGrid and the following that choose to participate in such team: (i) any Order 1000 Parties, (ii) any Order 1000 Affected Persons identified with respect to such project, and (iii) any Interested Persons; *provided that* participation in a Study Team may be subject to restrictions in tariffs (*see, e.g.*, pro forma open access transmission tariff, sections 17.2 and 18.2) or applicable law to protect Confidential Information or CEII.

1.73 “System Assessment Report” means each system assessment report developed by Staff pursuant to section 3 of Appendix A. “Draft System Assessment Report” means a draft System Assessment Report as described in section 3 of Appendix A. “Final System Assessment Report” has the meaning described in section 3.5 of Appendix A.

1.74 “Third Person” means any Person other than either ColumbiaGrid or any Order 1000 Party.

1.75 “Total Regional Costs from Interregional Cost Allocation” means, with respect to an ITP, the sum of the Assigned Regional Costs from Interregional Cost Allocation of such ITP plus any Additional Regional Costs from Interregional Cost Allocation of such ITP. Total Regional Costs from Interregional Cost Allocation may be recalculated as a result of application of section 7.6.2 of Appendix A.

1.76 “Transmission Owner or Operator Planning Party” or “TOPP” means a Party to the PEFA (exclusive of ColumbiaGrid) that, pursuant to the PEFA is, or proposes to be, a developer or an owner or operator of transmission facilities in the Pacific Northwest.

1.77 “Uncontrollable Force” means any act or event that delays or prevents an Order 1000 Party or ColumbiaGrid from timely performing obligations under this Order 1000 Agreement, including an act of God, strike, lock-out, labor dispute, labor disturbance, act of the public enemy, act of terrorism, war, insurrection, riot, fire, storm or flood, earthquake, explosion, accident to or breakage, failure or malfunction of machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities (other than, as to its own performance, by such Order 1000 Party that is a federal power marketing administration, municipal corporation or other federal, tribal or state governmental entity or subdivision thereof), or any other cause beyond an Order 1000 Party’s or ColumbiaGrid’s reasonable control and to the extent without such Order 1000 Party’s or ColumbiaGrid’s fault or negligence. Economic hardship shall not constitute an Uncontrollable Force under this Order 1000 Agreement.

1.78 “Website” means the website maintained by ColumbiaGrid at [www.columbiagrid.org](http://www.columbiagrid.org).

1.79 “Western Electricity Coordinating Council” or “WECC” means the Western Electricity Coordinating Council or any successor entity.

1.80 “Willful Action” means an action taken or not taken by an Order 1000 Party or ColumbiaGrid, which action is knowingly or intentionally taken or failed to be taken, with intent that injury or damage would result therefrom or which action is wantonly reckless. Willful Action does not include any act or failure to act which is involuntary, accidental, negligent, or grossly negligent.

## **2. Transmission Planning Processes**

### **2.1 Relationship to the PEFA**

This Order 1000 Agreement is based on the transmission planning processes in the PEFA and provides additional terms and processes necessary for ColumbiaGrid to facilitate the performance of certain transmission planning processes on behalf of Governmental Non-Enrolled Parties and, pursuant to Order 1000, on behalf of Order 1000 Enrolled Parties and ITP Proponents. Order 1000 Enrolled Parties and ITP Proponents shall, as applicable, participate, with respect to Order 1000 Potential Needs, Order 1000 Need(s), Interregional Transmission Project(s), Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), and Order 1000 Projects, in ColumbiaGrid transmission planning processes in accordance with this Order 1000 Agreement. In the event of a conflict between any provision of this Order 1000 Agreement and any provision of the PEFA, the provisions of this Order 1000 Agreement shall prevail with respect to the rights and obligations as between and among ColumbiaGrid and Order 1000 Parties.

The transmission planning processes under this Order 1000 Agreement are intended to supplement the transmission planning processes under the PEFA. The transmission planning

processes under this Order 1000 Agreement shall, to the extent practicable, utilize the same transmission planning processes that are used under the PEFA. The performance of system assessments and preparation of Biennial Plans pursuant to this Order 1000 Agreement are intended to be accomplished in conjunction with the performance of the system assessments and preparation of the Biennial Plans under the PEFA. Nothing in this Order 1000 Agreement shall obligate ColumbiaGrid to prepare a Biennial Plan separate from the Biennial Plan prepared under the PEFA and nothing in this Order 1000 Agreement shall obligate ColumbiaGrid to prepare a system assessment separate from the system assessment prepared under the PEFA; *provided that* that the requirements of this Order 1000 Agreement are satisfied.

## **2.2 Provisions of the PEFA Applicable to Order 1000 Parties Not Party to the PEFA**

For purposes of this Order 1000 Agreement, each Order 1000 Party that is not a Party to the PEFA shall comply with the provisions of the PEFA (except as otherwise provided in this section 2.2), including the following sections of the PEFA, as though such Order 1000 Party is a Planning Party and Transmission Owner or Operator Planning Party:

- Section 1—Definitions
- Section 2—Biennial Transmission Plans and Updates
- Section 3—Plan Methodology
- Section 4—ColumbiaGrid Transmission Planning Process Requirements
- Section 11—Authorization for ColumbiaGrid to Perform Obligations Under This Agreement
- Section 12—Limitations of Liability Among Planning Parties
- Section 13.3—First Party Claims
- Section 13.5—Inaccurate or Incomplete Data or Information
- Section 13.6—Limitation of Damages
- Section 14—Uncontrollable Force
- Section 16—Confidentiality Obligations
- Section 19.3—Construction of Agreement
- Section 19.6—Governing Law
- Section 19.8—Singular and Plural; Use of “Or”
- Section 19.9—Headings for Convenience Only
- Section 19.10—Relationship of the Parties
- Section 19.11—No Third Person Beneficiaries
- Section 19.12—No Dedication of Facilities
- Section 19.13—Nonwaiver
- Appendix A (except as provided below)—Transmission Planning Process

Notwithstanding the foregoing, the following provisions of the PEFA are specifically not applicable under this Order 1000 Agreement to any Order 1000 Party and shall not constitute obligations under this Order 1000 Agreement of ColumbiaGrid or any Order 1000 Party:

- Section 5—Commitment to Move to Common Queue and Explore Other Improvements
- Section 6—Offer and Execution of Facilities Agreements; Other Agreements

- Section 7—Regional and Interregional Transmission Coordination
- Section 8—Payment
- Section 9—Budgets
- Section 13.4—Third Person Claims
- Section 15—Assignments and Conveyances
- Section 17—Effective Date
- Section 18—Withdrawal
- Section 19—Miscellaneous, except as specifically included above
- Appendix B—Facilities Agreement

In addition to the provisions listed above, the provisions of the PEFA that provide for any cost allocation, including, but not limited to, any such provisions in sections 5.4, 6.4, 8.4, and 9.4 of Appendix A of the PEFA, are not applicable under this Order 1000 Agreement to any Order 1000 Party that is not a Party to the PEFA and shall not constitute obligations of ColumbiaGrid or any Order 1000 Party under this Order 1000 Agreement.

Each Order 1000 Party acknowledges and agrees that, by ColumbiaGrid and the Order 1000 Parties entering into and performing this Order 1000 Agreement, no Order 1000 Party becomes Party to, or third-party beneficiary under, the PEFA.

### **2.3 Draft Biennial Plans and Biennial Plans**

Each Planning Cycle, ColumbiaGrid shall develop and review a Draft Biennial Plan and shall adopt, by majority vote of the Board, a Biennial Plan. Each Draft Biennial Plan shall include the information with respect to any ITP(s), Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), and Order 1000 Project(s) as described in sections 11.1 and 11.4 of Appendix A, as applicable.

### **2.4 Adoption of Plan Updates**

If at any time ColumbiaGrid determines that changes in conditions make a Plan Update appropriate with respect to any Order 1000 Need, ITP, Order 1000 Proposed Project, Order 1000 Eligible Project, or Order 1000 Project, prior to the adoption of the next Biennial Plan in order for there to be sufficient lead time for implementation, Staff shall develop and the Board shall consider for adoption, a Plan Update of the then-current Plan to address such conditions. Any Plan Update shall to the extent practicable be based on the then-most-current assumptions and conditions. After adoption of a Biennial Plan or Plan Update, ColumbiaGrid shall provide all Study Team participants with a copy thereof, and post such Biennial Plan or Plan Update on the Website.

### **2.5 Plan Methodology**

In developing each Plan, ColumbiaGrid will conduct the following activities consistent with this Order 1000 Agreement and endeavor to:

- (i) after consideration of the data and comments supplied by Order 1000 Parties, customers of Order 1000 Parties, and other Interested Persons and

- stakeholders, develop a Plan that addresses Order 1000 Needs (and transmission needs of any Governmental Non-Enrolled Party identified pursuant to section 2.6 of this Order 1000 Agreement), including those reflecting the specific service requests of transmission customers and that otherwise treats similarly-situated customers (*e.g.*, network and retail native load) comparably in the ColumbiaGrid regional transmission planning process;
- (ii) facilitate analysis of solutions to Order 1000 Needs (and transmission needs of Governmental Non-Enrolled Parties identified pursuant to section 2.6 of this Order 1000 Agreement) as if a single utility owned all relevant generating, transmission, and distribution facilities to enhance efficiency and reduce duplication of facilities, environmental impacts, and costs;
  - (iii) perform a system assessment of RIS facilities, taking into account the input of Order 1000 Parties and Interested Persons with respect to Order 1000 Potential Needs, including Order 1000 Potential Needs (and potential transmission needs of any Governmental Non-Enrolled Party to be identified pursuant to section 2.6 of this Order 1000 Agreement) driven by a Public Policy Requirement, reliability, or economic considerations;
  - (iv) through the system assessment, identify Order 1000 Needs (and transmission needs of any Governmental Non-Enrolled Party identified pursuant to section 2.6 of this Order 1000 Agreement) for which potential solutions should be identified and evaluated;
  - (v) task Study Teams to work in an open, transparent, non-discriminatory, and collaborative manner (subject to ColumbiaGrid's obligation to protect Confidential Information and CEII pursuant to this Order 1000 Agreement) to identify and evaluate solutions to address such Order 1000 Needs (and transmission needs of any Governmental Non-Enrolled Party identified pursuant to section 2.6 of this Order 1000 Agreement) and evaluate such solutions, including, in the case of solutions to Order 1000 Needs, consistency with the solution evaluation factors described in section 2.3 of Appendix A;
  - (vi) if properly requested, apply the Order 1000 Cost Allocation Methodology to Order 1000 Projects in accordance with sections 6, 7, or 8 of Appendix A;
  - (vii) coordinate, as appropriate, with the planning activities of other regional planning entities and neighboring transmission systems, including Order 1000 Planning Regions other than the Order 1000 ColumbiaGrid Planning Region;

- (viii) recognize each Order 1000 Party's responsibility for planning transmission facilities on its transmission system and responsibility for the planning necessary for its local projects and service of its local loads from its transmission system; and
- (ix) with respect to Order 1000 Non-Transmission Alternatives, defer to the development of such alternatives in other appropriate forums and limit analysis of such alternatives to analysis of whether a proposed Order 1000 Non-Transmission Alternative is adopted by the Person on whose Electric System it would be located.

With respect to any request for transmission service or interconnection received by any Order 1000 Party, nothing in this Order 1000 Agreement shall preclude any Order 1000 Party from responding if and as such Order 1000 Party determines is appropriate under its open access transmission tariff.

## **2.6 Planning Processes Regarding Governmental Non-Enrolled Parties**

**2.6.1** The System Assessment Report(s) that are prepared pursuant to section 3 of Appendix A will, in addition to identifying the information with respect to the Order 1000 ColumbiaGrid Planning Region, also identify need(s) for transmission facilities on the transmission system of any Governmental Non-Enrolled Party, including any such need that is driven by reliability requirements, addresses economic considerations, or is driven by Public Policy Requirements. ColumbiaGrid, in coordination with the Order 1000 Parties and Interested Persons, shall (i) select need(s) for transmission facilities in the ColumbiaGrid Planning Region of any such Governmental Non-Enrolled Party that are projected to occur during the Planning Horizon that should be addressed, (ii) develop conceptual transmission solutions that address any such need(s), and (iii) indicate whether a non-transmission solution might be viable to eliminate or delay the necessity for a transmission-based solution to such needs. In selecting such needs from among potential needs, ColumbiaGrid shall apply the Order 1000 Needs Factors as if such potential needs were Order 1000 Potential Needs.

**2.6.2** Study Team(s) will, in addition to the purpose and function of Study Team(s) described in section 4 of Appendix A, also be formed and used to evaluate solutions (including Governmental Non-Enrolled Party Non-Transmission Alternatives that would result in the elimination or deferral of a transmission need of a Governmental Non-Enrolled Party) and develop all required elements of a plan(s) of service to address transmission needs identified pursuant to section 2.6.1 of this Order 1000 Agreement. In selecting such transmission solutions from among potential solutions, ColumbiaGrid shall apply the relevant provisions of sections 2, 3, and 4 of Appendix A, including the Order 1000 Planning Criteria set forth in section 2.1 of Appendix A and the factors set forth in section 2.3 of Appendix A, as if the Order 1000 Governmental Non-Enrolled Party was an Order 1000 Enrolled Party and as if such solutions were intended to address Order 1000 Needs. In the event that the Study Team does not reach consensus on all of the elements of the plan(s) of service, Staff shall determine all of the elements, upon which the Study Team did not reach consensus, of the plan(s) of service;

*provided that* in making its determination, Staff shall consider any comments by any Order 1000 Party or Interested Person.

### **3. Order 1000 Party Payment Obligations**

#### **3.1 Base Payment Obligation**

Each Person that is an Order 1000 Party shall, except as provided in section 3.2 of this Order 1000 Agreement,

- (i) within sixty days after such Person's execution and delivery of this Order 1000 Agreement, pay to ColumbiaGrid a total amount equal to \$50,000; and
- (ii) commencing upon the expiration of the Planning Cycle in which such Person's payment pursuant to item (i) above was due, thereafter pay to ColumbiaGrid an amount equal to \$2,083.33 per calendar month until such Person has withdrawn or has been deemed to withdraw from this Order 1000 Agreement pursuant to section 13 of this Order 1000 Agreement; each such monthly payment shall be due on the first day of the month for which the payment is to be made.

For the avoidance of doubt, ColumbiaGrid shall have no obligation under this Order 1000 Agreement to any Order 1000 Party obligated to make payment pursuant to this section 3.1 unless and until such payment is received from such Order 1000 Party by ColumbiaGrid, and such payment shall not be refundable.

ColumbiaGrid or any Order 1000 Party may, by providing written notice to all other signatories to this Order 1000 Agreement, request that ColumbiaGrid and all Order 1000 Parties review the payment obligation under the first paragraph of this section 3.1 and review whether such payment obligation is set at a level that is expected to reimburse ColumbiaGrid for the additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under this Order 1000 Agreement in the next upcoming even-numbered calendar year and the subsequent year; *provided that* any such request must be given not less than nine full calendar months prior to the commencement of such even-numbered calendar year; *provided further* no such request may be given for review of any two-year period commencing prior to January 1, 2016. Within 60 days after ColumbiaGrid's receipt of any such request for review, ColumbiaGrid shall provide written notice to each Order 1000 Party that provides (a) identification of any adjustment in payments pursuant to the first paragraph of this section 3.1 that ColumbiaGrid believes should be made, in the two-year period for which such request was made, so that such payments equal the additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under this Order 1000 Agreement in such two-year period and (b) documentation demonstrating that such adjustment is necessary in order for such payments to equal the additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under this Order 1000 Agreement in such two-year period. Upon receipt of such notice, ColumbiaGrid and the Order 1000 Parties shall negotiate in good faith to obtain a mutually-

agreeable amendment to this Order 1000 Agreement that revises the payments to be made pursuant to the first paragraph of this section 3.1, so that such payments in such two-year period equal the additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under this Order 1000 Agreement in such two-year period. Any such revised monthly payments to be made pursuant to item (ii) of the first paragraph of this section 3.1 shall equal 1/24th of the revised payments to be made pursuant to item (i) of the first paragraph of this section 3.1, and the payments to be made pursuant to the second paragraph of this section 3.1 shall be revised to be equal to the revised payments to be made pursuant to item (i) of the first paragraph of this section 3.1. For purposes of this section 3.1, “additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under this Order 1000 Agreement” refers to administrative expenses of ColumbiaGrid that are reasonably expected to occur but that would not be reasonably expected to occur if ColumbiaGrid were not a signatory to this Order 1000 Agreement and specifically does not include any costs for which ColumbiaGrid should be paid pursuant to the second paragraph of this section 3.1 and specifically does not include any costs for which ColumbiaGrid should be paid pursuant to section 3.3 of this Order 1000 Agreement.

### **3.2 Exemptions from Base Payment Obligation**

Notwithstanding section 3.1 of this Order 1000 Agreement, any ITP Proponent shall have no payment obligation under section 3.1 of this Order 1000 Agreement if ColumbiaGrid determines that an Order 1000 Enrolled Party could be a proponent of an ITP in the Order 1000 Planning Region in which such ITP Proponent is Enrolled (and which is a Relevant Planning Region for such ITP) without there being any payment obligation imposed on such Order 1000 Party in order for it to be a proponent of such ITP.

Any Order 1000 Party that was a signatory to the 2014 Order 1000 Functional Agreement and made a payment of \$50,000 as specified therein shall have no obligation under this Order 1000 Agreement to make the \$50,000 payment specified in item (i) of section 3.1 of this Order 1000 Agreement.

An Order 1000 Party that has made a \$50,000 payment pursuant to section 3.1 of this Order 1000 Agreement (or as specified in the 2014 Order 1000 Functional Agreement) but that withdraws or is deemed to withdraw in the Planning Cycle in which such payment was made shall, if it becomes an Order 1000 Party again during the same Planning Cycle, have no obligation to make such \$50,000 payment again but rather shall after such Planning Cycle make any monthly payments due pursuant to section 3.1 of this Order 1000 Agreement.

### **3.3 Incremental Cost Payment Obligation**

Any Order 1000 Enrolled Party that requests an Order 1000 Cost Allocation (or reperformance of an Order 1000 Cost Allocation) pursuant to section 5.2 of Appendix A shall pay to ColumbiaGrid the following incremental ColumbiaGrid costs of performing (or reperforming) such Order 1000 Cost Allocation, as reasonably determined by ColumbiaGrid:

- (i) any time of ColumbiaGrid employees or contractors required to perform such Order 1000 Cost Allocation, charged at the cost per hour of such employees or contractors; and

- (ii) to the extent not included in item (i) above, the incremental cost of any services (or licenses) secured specifically for such Order 1000 Cost Allocation by ColumbiaGrid, as necessary to perform such Order 1000 Cost Allocation, that would not have otherwise been secured; *provided that* if any such services (or licenses) are also used for one or more Order 1000 Cost Allocations during the same Planning Cycle in which ColumbiaGrid initially procured such services (or licenses), ColumbiaGrid shall equitably allocate the costs of such services (or licenses) among the requesters of all such Order 1000 Cost Allocations for which such services (or licenses) are used (and shall provide a credit as appropriate against earlier payments for such services (or licenses) as appropriate to achieve such equitable allocations.

(“Incremental Costs”). Specifically excluded from Incremental Costs of performing any Order 1000 Cost Allocation are (a) any occupancy and incidental costs such as rent, office supplies, or long-distance telephone calls; and (b) any costs described in item (ii) above that ColumbiaGrid would otherwise incur in the absence of performance of any Order 1000 Cost Allocation.

#### **4. ColumbiaGrid Transmission Planning Process Requirements**

##### **4.1 Duty to Cooperate**

Each Order 1000 Party shall cooperate with and support ColumbiaGrid in the implementation of its responsibilities under this Order 1000 Agreement, which shall, as applicable, include providing data relating to its Electric System or Proposed Order 1000 Need(s) (including data relating to any proposed solutions to address such Proposed Order 1000 Need(s) for which such Order 1000 Party is a proponent) and individual Order 1000 Party transmission planning criteria and performing technical studies regarding its transmission system (or Proposed Order 1000 Need(s)) as it relates to the RIS. Specifically, each Order 1000 Party shall participate in, and support, ColumbiaGrid performing annual system assessments and shall participate actively in the Study Teams that are formed to address Order 1000 Needs or develop Order 1000 Proposed Projects for which such Order 1000 Party is an Order 1000 Affected Person. Each Order 1000 Party performing studies contemplated under this Order 1000 Agreement shall keep the Staff informed about those studies and seek the input of the Staff, as appropriate, and shall provide the final studies to the Staff for the use of ColumbiaGrid. Nothing in this Order 1000 Agreement shall prohibit an Order 1000 Party from constructing a transmission facility or expanding its Electric System in a manner that has not yet been reflected in a Plan; *provided that* nothing in this Order 1000 Agreement shall preclude ColumbiaGrid from determining through a system assessment that there are still unmet Order 1000 Need(s) notwithstanding any such facility or expansion or any other facility or expansion. Nothing in this section 4.1 is intended to prevent ColumbiaGrid from performing studies as needed in accordance with this Order 1000 Agreement.

#### **4.2 Coordinated, Open, Transparent, and Non-Discriminatory Nature of Process**

ColumbiaGrid shall endeavor to implement the transmission planning processes under this Order 1000 Agreement in a coordinated, open, transparent, non-discriminatory, and participatory manner, subject to ColumbiaGrid's obligation to protect Confidential Information and CEII pursuant to this Order 1000 Agreement. These processes are not intended to create any Third Person remedies or rights as to the adequacy of ColumbiaGrid's processes or public review.

#### **4.3 Notice to Potentially Interested Persons**

ColumbiaGrid shall, in consultation with each Study Team, endeavor to notify the following Persons of the formation and scope of activities of such Study Team with respect to any proposed solution to an Order 1000 Need(s): (i) all Order 1000 Affected Persons with respect to such solution, (ii) all Persons potentially interested in such Study Team, and (iii) the Interested Persons List, including Pacific Northwest transmission owners and operators and State, Provincial, and Tribal representatives on the Interested Persons List. ColumbiaGrid shall develop protocols regarding procedures designed to identify and notify States and Provinces, including agencies responsible for facility siting, utility regulation, and general energy policy, Tribes, and Pacific Northwest transmission owners and operators that are potentially impacted by Order 1000 Needs or solutions regarding the activities of Study Teams addressing such Order 1000 Needs or solutions. For example, the protocol should include a provision stating that at such time as it becomes apparent to a Study Team that Tribal resources or lands may be impacted, ColumbiaGrid should make a reasonable attempt to notify potentially impacted Tribes of its work. ColumbiaGrid may work with the Order 1000 Parties and Pacific Northwest Tribes to compile a database of Tribal lands and culturally significant areas for use under such a protocol.

#### **4.4 Use of Study Teams**

ColumbiaGrid shall assemble Study Teams as more fully described in Appendix A to this Order 1000 Agreement and in Appendix A to the PEFA. Such Study Teams are intended to be the primary tool for participation by Order 1000 Parties, Order 1000 Affected Persons, and Interested Persons in the development of transmission solutions under this Order 1000 Agreement. Study Team participants shall bear their own costs of participation. ColumbiaGrid may establish terms and conditions it determines appropriate for participation by any Person in a Study Team, including terms and conditions relating to protection of Confidential Information and CEII.

#### **4.5 Development of Protocol for Communications With and Receiving Input from States, Provinces, and Tribes**

ColumbiaGrid shall maintain protocols to foster the collaborative involvement of States, Provinces, and Tribes in the ColumbiaGrid transmission planning processes under this Order 1000 Agreement. Such protocols shall guide ColumbiaGrid's communications with Relevant

State and Provincial Agencies and Tribes regarding the ColumbiaGrid transmission planning processes under this Order 1000 Agreement and shall include the following.

**4.5.1 Roles of States and Provincial Agencies in the ColumbiaGrid Transmission Planning Processes.** ColumbiaGrid shall maintain as part of its list of Interested Persons an up-to-date service list of Relevant State and Provincial Agencies that have indicated interest in participation in ColumbiaGrid's transmission planning activities or otherwise interested in collaborative involvement with ColumbiaGrid. All Relevant State and Provincial Agencies may participate as non-decisional participants in any Study Team involved in the ColumbiaGrid transmission planning processes as set forth in Appendix A. In addition, ColumbiaGrid shall provide the opportunity for direct consultation between its Board or Staff and any Relevant State and Provincial Agency whenever requested by the Agency. Such requests can be in response to proposed ColumbiaGrid actions, at the discretion of the Relevant State and Provincial Agency, or at the request of ColumbiaGrid Board. ColumbiaGrid shall endeavor to have such collaborative consultations take place with any Relevant State and Provincial Agency at least once a year unless deemed unnecessary by such Relevant State and Provincial Agency. Such consultations shall take place at locations selected by the Relevant State and Provincial Agency within reasonable time and budget constraints, and, if requested by the Relevant State and Provincial Agency, shall be an open public meeting.

**4.5.2 Development of Protocol for Communications With and Receiving Input From Tribes.** ColumbiaGrid shall develop a protocol to foster the collaborative involvement of Pacific Northwest Tribes in the ColumbiaGrid transmission planning processes under this Order 1000 Agreement. Such protocol shall guide ColumbiaGrid's communications with the Tribes and shall include provisions to keep the Tribes informed regarding ColumbiaGrid's activities as well as provisions to receive input from the Tribes and their authorized representatives in the transmission planning processes. For example, the protocol should include a provision stating that at such time as it becomes apparent to a Study Team that Tribal resources or lands may be impacted, ColumbiaGrid should make a reasonable attempt to notify potentially impacted Tribes of its work. ColumbiaGrid may work with the Order 1000 Parties, Pacific Northwest Tribes, and Interested Persons to compile a database of Tribal lands and culturally significant areas for use under such a protocol.

#### **4.6 ColumbiaGrid Development of WECC Submittals**

ColumbiaGrid Staff shall, in consultation with each TOPP that is an Order 1000 Party (and any other Order 1000 Parties as appropriate), develop data submittals on behalf of such Order 1000 Parties for WECC base case development purposes. Each Order 1000 Party agrees to submit to ColumbiaGrid its underlying data for the WECC submittals.

#### **4.7 Third Person Access to ColumbiaGrid Data and Analysis**

ColumbiaGrid shall develop, and revise as necessary, policies regarding the provision of planning data or analysis to Third Persons subject to the appropriate treatment of Confidential Information, information relating to Standards of Conduct matters, and CEII; *provided that* ColumbiaGrid shall make clear on the Website and in other distributions that such data and analysis is being provided as is and that any reliance by the user on such data or analysis is at its

own risk and, specifically, shall make clear (and shall require Third Persons receiving such data or analysis from ColumbiaGrid to enter into separate contracts agreeing) that any such data or analysis is not warranted by ColumbiaGrid or any Order 1000 Party and that neither ColumbiaGrid nor any Order 1000 Party is responsible for any such data or analysis, for any errors or omissions in such data, or for any delay or failure to provide any such data or analysis to such Third Persons.

## **5. Standards of ColumbiaGrid Performance**

ColumbiaGrid shall carry out its obligations under this Order 1000 Agreement in an efficient, expeditious, professional, and skillful manner. In providing transmission planning services to Order 1000 Parties under this Order 1000 Agreement, ColumbiaGrid shall comply with all applicable laws, ordinances, rules, regulations, orders, licenses, permits, and other governmental requirements (including, but not limited to, any such requirements imposed upon Order 1000 Parties with respect to ColumbiaGrid's provision of transmission planning services); *provided that* regulatory requirements imposed on any single Order 1000 Party shall not be deemed applicable to other Order 1000 Parties as a result of this Order 1000 Agreement, nor shall ColumbiaGrid apply in its processes any such regulatory requirements to other Order 1000 Parties that are not otherwise applicable to such other Order 1000 Parties.

## **6. Authorization of ColumbiaGrid Performance Under This Order 1000 Agreement; Scope of This Order 1000 Agreement**

### **6.1 Authorization for ColumbiaGrid to Perform Obligations Under This Order 1000 Agreement**

Unless specifically otherwise provided in this Order 1000 Agreement, ColumbiaGrid is authorized, pursuant to Section 6.1 of the Bylaws, to engage on its own behalf, and not as agent for Order 1000 Parties, in any activity reasonably necessary to perform its obligations under this Order 1000 Agreement, including the hiring of contractors or consultants.

### **6.2 Scope of This Order 1000 Agreement**

Consistent with Order 1000, the Order 1000 Parties intend this Order 1000 Agreement to facilitate fair regional transmission planning processes and do not intend this Order 1000 Agreement to dictate substantive outcomes of such processes. Nothing in this Order 1000 Agreement (i) creates any obligation of any Person to construct or operate any transmission facilities, (ii) authorizes or requires any Person to be, or prohibits any Person from being, an owner or operator of any transmission facilities (including any Person that is or is not qualified or identified as a developer, owner, or operator pursuant to this Order 1000 Agreement), or (iii) authorizes ColumbiaGrid to own, operate, or otherwise control any transmission facilities in any way.

Nothing in this Order 1000 Agreement will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

## **7. Limitation of Liability Among Order 1000 Parties**

Each Order 1000 Party at any time that is both eligible to be a party to the WIS Agreement and operates electrical facilities for generation, transmission, or distribution shall become and remain at all such times a party to the WIS Agreement as a condition of participation in this Order 1000 Agreement.

## **8. Insurance, Indemnification, and Limitations of Liability**

To promote cooperation between and among ColumbiaGrid and the Order 1000 Parties, to avoid duplication of costs, and to carry out the purposes of this Order 1000 Agreement, ColumbiaGrid and the Order 1000 Parties agree to the following provisions for insurance, indemnification, and limited liability.

### **8.1 Insurance; Waiver of Subrogation Rights**

#### **8.1.1 ColumbiaGrid Insurance Coverage Requirements.**

Throughout the term of this Order 1000 Agreement, ColumbiaGrid shall maintain insurance coverage that at a minimum:

- (i) provides general liability and errors and omissions insurance with respect to ColumbiaGrid's performance under this Order 1000 Agreement;
- (ii) provides for maximum per-occurrence self-insured retention in an amount approved in writing by each Order 1000 Party that is an Order 1000 Party as of the Effective Date;
- (iii) provides general liability coverage limits (with each Order 1000 Party that so opts in writing named as an additional insured) in an amount approved in writing by each Order 1000 Party that is an Order 1000 Party as of the Effective Date and separate errors and omission coverage limits in an amount approved in writing by each Order 1000 Party that is an Order 1000 Party as of the Effective Date;
- (iv) provides an agreement or endorsement under which the insurance cannot be terminated, canceled, allowed to expire, or materially altered without 90 days' prior written notice to ColumbiaGrid and provides that such policy is primary over any other insurance; and
- (v) provides that ColumbiaGrid's insurer shall be bound by any waivers of the insurer's rights of subrogation granted by ColumbiaGrid.

**8.1.2 Waiver of Subrogation Rights.** ColumbiaGrid hereby waives all rights of subrogation its insurer(s) may have against the Order 1000 Parties and any former Order 1000 Parties.

## **8.2 ColumbiaGrid's Obligation to Notify Order 1000 Parties with Respect to Insurance**

ColumbiaGrid shall not consent or allow that the insurance required under section 8.1.1 of this Order 1000 Agreement above to be terminated, canceled, allowed to expire, or materially altered without providing at least 90 days' advance notice to the Order 1000 Parties. ColumbiaGrid shall notify the Order 1000 Parties with the name, address, telephone number, facsimile number, and email of all insurance brokers used by ColumbiaGrid.

## **8.3 First Party Claims**

ColumbiaGrid shall not be liable to any Order 1000 Party for any loss or damage to the equipment or Electric System of such Order 1000 Party, or any loss or damages for bodily injury (including death) that such Order 1000 Party or its employees may incur arising out of this Order 1000 Agreement or its performance.

## **8.4 Third Person Claims**

**8.4.1** In the event Third Person claims are made against ColumbiaGrid or any Order 1000 Party arising out of this Order 1000 Agreement or its performance, ColumbiaGrid and the Order 1000 Parties agree as follows.

**8.4.2** In the event of any such claim, the party against which the Third Person claim is made shall provide immediate notice to ColumbiaGrid and the other Order 1000 Parties, as applicable, pursuant to section 14.1 of this Order 1000 Agreement. ColumbiaGrid and the Order 1000 Parties shall establish a Claims Committee comprised of representatives of ColumbiaGrid and each Order 1000 Party. ColumbiaGrid and each Order 1000 Party shall designate in writing its representative to serve on the Claims Committee; *provided however that* no party shall be required to serve (or designate a representative to serve) on the Claims Committee if, in such party's sole discretion, such service could create a conflict of interest or would otherwise be prohibited by law. ColumbiaGrid and all Order 1000 Parties shall make such immediate efforts as necessary to preserve evidence or protect against default judgment, and shall provide notice to the Claims Committee by giving notice to ColumbiaGrid and each Order 1000 Party and to the broker(s) identified pursuant to section 8.2 of this Order 1000 Agreement above with respect to the insurance policy(ies) described in section 8.1.1 of this Order 1000 Agreement.

**8.4.3** ColumbiaGrid shall provide notice to each Order 1000 Party and as necessary to its insurance carrier, and refer such matter to the Claims Committee. ColumbiaGrid and the Order 1000 Parties anticipate that the Claims Committee shall have responsibility to (i) review any such claims, (ii) take action as necessary to properly investigate, evaluate, and defend such claims, and (iii) make recommendations regarding payment, rejection, or compromise of such claims.

**8.4.4** In the event of legal action resulting from the denial of any such claim, ColumbiaGrid and the Order 1000 Parties anticipate that the Claims Committee shall recommend suitably qualified legal counsel to defend such claims. Subject to this section 8.4.4 and to the extent permitted by law, ColumbiaGrid and the Order 1000 Parties agree, except where there is

an irreconcilable conflict of interest, to endeavor to (i) consent to joint representation in defense of such legal action and (ii) make good faith efforts to enter into a mutually acceptable joint representation agreement to facilitate cooperation, information sharing, and protection of attorney-client privilege and work product in connection with the joint defense. If joint representation is precluded by an irreconcilable conflict of interest or for any other reason, the party(ies) unable or unwilling to participate in joint representation shall obtain legal counsel of its own choice, at its own expense, to defend itself in such legal action. Bonneville Power Administration as an Order 1000 Party may, but shall not be obligated to, comply with section 8.4.3 of this Order 1000 Agreement and this section 8.4.4 with respect to any claim against and presented to Bonneville Power Administration.

**8.4.5** Where the claim or legal action arises in whole or in part from allegedly negligent actions or inactions of ColumbiaGrid in performance of its obligations of this Order 1000 Agreement, the self-insured retention and the policy coverage described in section 8.1.1 of this Order 1000 Agreement shall be regarded as primary with respect to payments or judgments resulting from any such claim or legal action. Payments shall include reasonable attorneys' fees and costs of investigation and defense. To the extent of insurance coverage and the extent permitted by applicable law, ColumbiaGrid shall indemnify, defend, and hold each Order 1000 Party harmless from and against all damages based upon or arising out of bodily injuries or damages to any Third Person(s) or parties, including without limitation death resulting therefrom, or physical damages to or losses of property caused by, arising out of, or sustained in connection with performance of this Order 1000 Agreement to the extent attributable to the negligence of ColumbiaGrid or its employees, agents, suppliers, and subcontractors (including suppliers and subcontractors of subcontractors; hereinafter "Subcontractors"). As used in this section 8.4 and in sections 8.3 and 8.5 of this Order 1000 Agreement, "damages" means any claims, losses, costs, expenses, damages (including without limitation direct, indirect, incidental, consequential, special, exemplary, and punitive damages), payments made in settlement, arbitration awards, and liabilities, including reasonable attorneys' fees.

### **8.5 Inaccurate or Incomplete Data or Information**

Liability as between and among ColumbiaGrid and Order 1000 Parties and as between and among Order 1000 Parties for incomplete or inaccurate data or information shall be subject to the limitations set forth in section 8.6 of this Order 1000 Agreement, and shall be limited as follows. ColumbiaGrid and each Order 1000 Party shall make good faith efforts to cause data and information provided under this Order 1000 Agreement to be accurate; *provided however that* neither ColumbiaGrid nor any Order 1000 Party shall be liable for damages resulting from the provision of inaccurate or incomplete data or information, except to the extent that such inaccuracy or incompleteness results from ColumbiaGrid's or an Order 1000 Party's(ies') Willful Action.

### **8.6 Limitation of Damages**

As between and among ColumbiaGrid and Order 1000 Parties and as between and among Order 1000 Parties, each of those parties waives as against the other of those parties (including its directors, commissioners, officers, and employees) all claims, and otherwise covenants not to sue or otherwise pursue any claim or remedy, arising out of or in connection with this Order

1000 Agreement or its performance (whether based on contract, tort, or any other legal theory), except for:

- (i) claims arising under section 8.4.5 of this Order 1000 Agreement with respect to Third Person actions; and
- (ii) claims for actual, direct damages only, which shall under no circumstances include any lost profits, lost data, or any indirect, incidental, consequential, special, exemplary, or punitive damages;

*provided that* nothing in this Order 1000 Agreement shall apply to claims for loss or damage between or among Order 1000 Parties that are within the scope of the WIS Agreement.

## **9. Uncontrollable Force**

Neither ColumbiaGrid nor any Order 1000 Party shall be in breach of this Order 1000 Agreement as a result of such party's failure or delay to perform its obligations under this Order 1000 Agreement when such failure is caused by an Uncontrollable Force that such party, despite the exercise of due diligence, is unable to remove with reasonable dispatch; *provided however that* such party shall have the right to suspend performance of such obligations only to the extent and for the duration that the Uncontrollable Force actually and reasonably prevents the performance of such obligations by such party. In the event of the occurrence of an Uncontrollable Force that delays or prevents a party's performance of any of its obligations under this Order 1000 Agreement, such party shall (i) immediately notify the other parties to this Order 1000 Agreement of such Uncontrollable Force with such notice to be confirmed in writing as soon as reasonably practicable, (ii) use due diligence to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligations under this Order 1000 Agreement, (iii) keep the other parties to this Order 1000 Agreement apprised of such efforts on an ongoing basis, and (iv) provide written notice to the other parties to this Order 1000 Agreement of the resumption of performance under this Order 1000 Agreement. Notwithstanding any of the foregoing, the settlement of any strike, lockout, or labor dispute constituting an Uncontrollable Force shall be within the sole discretion of the party to this Order 1000 Agreement involved in such strike, lockout, or labor dispute; and the requirement that a party to this Order 1000 Agreement must use due diligence to remedy the cause of the Uncontrollable Force or mitigate its effects and resume full performance under this Order 1000 Agreement shall not apply to strikes, lockouts, or labor disputes.

## **10. Assignments and Conveyances**

### **10.1 Successors and Assigns**

This Order 1000 Agreement is binding on and shall inure to the benefit of ColumbiaGrid and the Order 1000 Parties and to each of their respective successors, permitted assigns, and legal representatives.

## **10.2 Assignment of ColumbiaGrid's Rights and Obligations**

ColumbiaGrid shall not, without the prior written consent of each of the Order 1000 Parties, assign, pledge, or transfer all or any part of, or any right or obligation under, this Order 1000 Agreement, whether voluntarily or by operation of law; *provided that* nothing in this section 10.2 shall prohibit ColumbiaGrid from contracting with Third Persons for the provision of services to assist ColumbiaGrid in performing its obligations under this Order 1000 Agreement.

## **10.3 Assignment of an Order 1000 Party's Rights and Obligations**

Except as otherwise provided in section 10.4 of this Order 1000 Agreement, an Order 1000 Party shall not, without the prior written consent of ColumbiaGrid, assign, pledge, or transfer all or any part of, or any right or obligation under, this Order 1000 Agreement, whether voluntarily or by operation of law; *provided however that* an Order 1000 Party may, without the consent of ColumbiaGrid, assign its rights and obligations under this Order 1000 Agreement to any Person (i) into which the Order 1000 Party is merged or consolidated or (ii) to which the Order 1000 Party sells, transfers, or assigns all or substantially all of its Electric System, so long as the survivor in any such merger or consolidation, or the purchaser, transferee, or assignee of such Electric System provides to ColumbiaGrid a valid and binding written agreement expressly assuming and agreeing to be bound by all obligations of the Order 1000 Party under this Order 1000 Agreement.

## **10.4 Assignment of Facilities**

Notwithstanding any other provision of this Order 1000 Agreement, an Order 1000 Party may pledge or assign all or any portion of its transmission system without ColumbiaGrid's or any other Order 1000 Party's consent.

## **10.5 Effect of Permitted Assignment**

In the event of any permitted sale, transfer, or assignment under this Order 1000 Agreement, the transferor or assignor shall to the extent of the transferred or assigned obligations, and only to such extent, be relieved of obligations accruing from and after the effective date of such transfer or assignment; *provided however that* under no circumstances shall any sale, transfer, or assignment relieve the transferor or assignor of any liability for any breach of this Order 1000 Agreement occurring prior to the effective date of such transfer or assignment.

## **10.6 Consent Not Unreasonably Denied or Delayed**

Consents to assignment, pledge, or transfer requested pursuant to this section 10 shall not be unreasonably denied or delayed.

## **11. Submission of, Access to, and Use of Certain Information**

### **11.1 Load and Resource Information**

Each Order 1000 Enrolled Party will by January 31st of each year provide ColumbiaGrid with

- (i) any then-current Local Transmission Plan of such Order 1000 Enrolled Party;
- (ii) data regarding projected loads and resources of such Order 1000 Enrolled Party, including projections of network customer loads and resources and projected point-to-point transmission service information; and
- (iii) data regarding existing and planned demand response resources not reflected in item (ii) above that are anticipated to affect such Order 1000 Enrolled Party's projected loads and resources reflected in item (ii) above.

Such information regarding projected transmission needs, loads, and resources of such Order 1000 Enrolled Party will typically be provided in the underlying data for WECC submittals provided by such Order 1000 Enrolled Party pursuant to section 4.6 of this Order 1000 Agreement; *provided that* such Order 1000 Enrolled Party will provide any updates to such information regarding projected transmission needs, loads, and resources upon ColumbiaGrid's request. Each Order 1000 Enrolled Party providing to ColumbiaGrid pursuant to this section 11.1 any information (including any update) that is a projection shall use reasonable efforts to provide a good faith projection thereof.

A transmission customer of an Order 1000 Enrolled Party or Governmental Non-Enrolled Party is to submit to such party, in accordance with and on the schedule set forth in its Attachment K, if any, transmission planning information regarding projected transmission needs, loads, and resources of such transmission customer. Interested Persons may also submit to ColumbiaGrid data regarding ten-year projected loads and resources, including existing and planned demand response resources, on the Order 1000 Transmission System of any Order 1000 Enrolled Party or on the transmission system of any Governmental Non-Enrolled Party. Such submittals to ColumbiaGrid should if practicable be submitted (a) by January 31st of any year to facilitate the availability of information for use in ColumbiaGrid planning in such year, and (b) in the format for WECC submittals pursuant to section 4.6 of this Order 1000 Agreement. The format for the data files for WECC submittal is available from ColumbiaGrid upon request.

Any Governmental Non-Enrolled Party shall provide ColumbiaGrid with the information required by this section 11.1 (or by section 4.1 or 4.6 of this Order 1000 Agreement or by section 3.2.2 of Appendix A) as if it were an Order 1000 Enrolled Party.

ColumbiaGrid shall have no obligation under this Order 1000 Agreement to evaluate the validity or accuracy of any information it receives pursuant to this section 11.1 but may so evaluate the validity or accuracy of any such information if ColumbiaGrid determines such

evaluation to be appropriate and reasonable. Similarly, ColumbiaGrid shall have no obligation to use any information for any purpose under this Order 1000 Agreement that ColumbiaGrid determines to be inappropriate or unreasonable for such use and may, in lieu thereof, substitute information that ColumbiaGrid determines to be appropriate and reasonable for such use.

### **11.2 Access to Study Reports and Order 1000 Replication Data from ColumbiaGrid**

ColumbiaGrid will post on the Website a list of the names of planning studies it has performed pursuant to this Order 1000 Agreement that underlie analysis of any Order 1000 Need(s), Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), or Order 1000 Project(s) and maintain such names on such list for a period of not less than five years. ColumbiaGrid will, subject to the other provisions of this section 11, make available the final report for any such study to any Interested Person upon receipt therefrom by ColumbiaGrid of written request for such final report during a period of not less than five years following completion of such final report. Also, ColumbiaGrid will, subject to the other provisions of this section 11, make available the Order 1000 Replication Data for any planning study upon receipt therefrom by ColumbiaGrid of written request for such Order 1000 Replication Data during a period of not less than five years following completion of such final report.

Access by any Person (such as an Interested Person) to, and use by any Person (such as an Interested Person) of, any planning study performed by ColumbiaGrid pursuant to this Order 1000 Agreement or any Order 1000 Replication Data shall be subject to any CEII restrictions and any confidentiality or other restrictions on access or use reasonably imposed by ColumbiaGrid, including, for example, requirements of either or both a CEII Non-Disclosure Agreement and Confidential Information Non-Disclosure Agreement. Further, such access by any Person (such as an Interested Person) to, and use by any Person (such as an Interested Person) of, any planning study performed by ColumbiaGrid pursuant to this Order 1000 Agreement or any Order 1000 Replication Data that ColumbiaGrid has received from any other entity may be subject to any restrictions on access to such data imposed by such entity. For example, any access to data such as Order 1000 Replication Data that constitutes WECC base case data by any entity such as an Interested Person is subject to any restrictions on access to data imposed by WECC (such as a requirement that such entity must hold membership in or execute a non-disclosure agreement with WECC (<http://www.wecc.biz>)) and the procedures set forth in the provisions of this section 11.

### **11.3 Use of Order 1000 Replication Data Received From ColumbiaGrid**

ColumbiaGrid shall, subject to the other provisions of this section 11, provide Order 1000 Replication Data to any Person who agrees in writing to use such data solely for the purpose of evaluating the results of ColumbiaGrid's planning studies performed pursuant to this Order 1000 Agreement.

#### **11.4 Confidential Information**

Order 1000 Parties seeking designation of Confidential Information shall act in good faith when asserting the confidentiality of material. Each Order 1000 Party shall use reasonable efforts to maintain the confidentiality of all Confidential Information provided to it by another Order 1000 Party or ColumbiaGrid pursuant to this Order 1000 Agreement. ColumbiaGrid shall not post Confidential Information on the public portion of the Website and ColumbiaGrid will only disclose Confidential Information in accordance with this section 11, including the procedures in section 11.6 of this Order 1000 Agreement.

In the event a dispute arises related to the designation of Confidential Information under this Order 1000 Agreement, representatives of the disputing Order 1000 Parties (and ColumbiaGrid, if party to the dispute) with authority to settle the dispute shall meet and confer in good faith in an effort to resolve the dispute. If the dispute is not so resolved, the dispute may, if the disputing Order 1000 Parties (and ColumbiaGrid, if party to the dispute) so elect, be resolved by arbitration as follows. Any arbitration initiated under this Order 1000 Agreement shall be conducted before a single, neutral arbitrator appointed by the disputing parties. If the disputing parties fail to agree upon a single arbitrator within ten days of the referral of the dispute to arbitration, each such disputing party shall choose one arbitrator who shall sit on a three member arbitration panel. The two arbitrators so chosen shall within 20 days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric industry matters, including electric transmission issues, and, unless otherwise agreed by the parties to the dispute, shall not have any current or past substantial business or financial relationships with any such party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the parties to the arbitration an opportunity to be heard and shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

#### **11.5 Critical Energy Infrastructure Information**

If an Order 1000 Party furnishes information marked, or ColumbiaGrid marks information, as “Critical Energy Infrastructure Information” as of the time of its furnishing, ColumbiaGrid shall not post such information on the public portion of the Website and ColumbiaGrid will only disclose such CEII in accordance with this section 11, including the procedures in section 11.6 of this Order 1000 Agreement. Further, if information designated as CEII is made part of a filing submitted by ColumbiaGrid with the Commission, ColumbiaGrid shall take reasonable steps to ensure the protection of such information pursuant to 18 C.F.R. § 388.112(b).

#### **11.6 Requests for Planning Studies and Order 1000 Replication Data; Disclosure of WECC Proprietary Data, Confidential Information, or CEII**

Any Person may request information from ColumbiaGrid, including ColumbiaGrid’s planning studies and Order 1000 Replication Data, in accordance with this section 11.6. ColumbiaGrid’s planning studies and Order 1000 Replication Data may include base case data (or other data) that are WECC proprietary data and may include information that an Order 1000

Party has designated as Confidential Information or CEII. ColumbiaGrid shall provide its planning studies and Order 1000 Replication Data in accordance with this section 11.6; *provided however that* ColumbiaGrid shall not disclose any WECC proprietary data, Confidential Information or CEII except as provided in this section 11.6.

A requester may request information from ColumbiaGrid using the procedures set forth below.

- (i) A requester shall submit a signed, written request for information specifying the information being requested (on the planning information request form included on the Website) to ColumbiaGrid either via mail or email (PDF) at the following address, in accordance with the ColumbiaGrid information request procedures posted on the Website:

ColumbiaGrid  
8338 NE Alderwood Road  
Portland, OR 97220  
Attn: Information Coordinator  
email: [info@columbiagrid.org](mailto:info@columbiagrid.org)

- (ii) Requests for information made to ColumbiaGrid will be considered to be received upon actual receipt by ColumbiaGrid.
- (iii) ColumbiaGrid will promptly make a determination of whether any requested information includes WECC proprietary data, Confidential Information, or CEII.
- (iv) After making its determination required in item (iii) above, ColumbiaGrid will promptly notify the requester if any of the requested information includes any WECC proprietary data, Confidential Information, or CEII.
- (v) A Person requesting WECC proprietary data must certify to ColumbiaGrid that it holds membership in WECC or it has executed a non-disclosure agreement with WECC such that ColumbiaGrid may disclose such WECC proprietary data to the requester. ColumbiaGrid will provide WECC proprietary data to the requester upon its receipt of verification that the requester is eligible to receive such data as a member of WECC or a Person who has executed a satisfactory non-disclosure agreement with WECC. In the event that a Person requests information that includes WECC proprietary data and such Person cannot or does not certify to ColumbiaGrid, or ColumbiaGrid cannot verify, that such person is eligible to receive WECC proprietary data, ColumbiaGrid will provide such Person that portion of the requested information that is not WECC proprietary data and shall

direct such Person to WECC so that such Person can work with WECC to satisfy the conditions necessary for ColumbiaGrid to disclose WECC proprietary data to such Person or so that such Person may seek any WECC proprietary data directly from WECC.

- (vi) If ColumbiaGrid receives a request for Confidential Information or CEII, ColumbiaGrid shall immediately notify the Order 1000 Party(ies) who has designated such information as Confidential Information or CEII (or, if ColumbiaGrid has designated information as CEII, the Order 1000 Party's(ies)' whose Electric System(s) the CEII is associated with) and shall seek the consent of such Order 1000 Party(ies) to release such information. Upon receipt of the notice from ColumbiaGrid required by this item (vi), each Order 1000 Party that designated such information as Confidential Information or CEII (or whose Electrical System is associated with the CEII) may (a) consent to the disclosure of such information without condition, (b) consent to the disclosure of such information subject to reasonable conditions (*e.g.*, the Person requesting such information entering into a confidentiality agreement or non-disclosure agreement or both with ColumbiaGrid that is reasonably acceptable to such Order 1000 Party), or (c) decline to consent to the disclosure by ColumbiaGrid of such Confidential Information or CEII. If an Order 1000 Party that designated such information as Confidential Information or CEII, or an Order 1000 Party whose Electrical System is associated with CEII, consents to ColumbiaGrid's disclosure of such information, ColumbiaGrid shall disclose such information to the requester if the reasonable conditions to such disclosure requested by the Order 1000 Party, if any, are satisfied. If an Order 1000 Party that designated such information as Confidential Information or CEII, or an Order 1000 Party whose Electrical System is associated with CEII, declines to consent to ColumbiaGrid disclosing such information, ColumbiaGrid shall (a) not release or disclose such information, (b) notify the Person requesting such information that such Order 1000 Party has declined to consent to ColumbiaGrid disclosing such information, and (c) direct the Person requesting such information to request such information directly from such Order 1000 Party. The Order 1000 Party shall process any resulting requests it receives for such Confidential Information or CEII in accordance with its procedure for processing such requests for Confidential Information or CEII.
- (vii) To the extent that a Person requests information that is not Confidential Information, but is ColumbiaGrid's confidential or proprietary information, ColumbiaGrid may, in its sole discretion, release or disclose such information subject to such reasonable

conditions (e.g., the Person requesting such information entering into a confidentiality agreement or non-disclosure agreement or both reasonably acceptable to ColumbiaGrid) as ColumbiaGrid may deem necessary.

- (viii) Nothing in this section 11.6 shall excuse ColumbiaGrid from providing access to Confidential Information, CEII, or information that is ColumbiaGrid's confidential or proprietary information pursuant to any legal requirement to provide such access, including a subpoena or specific order by the Commission. In the event that ColumbiaGrid is required to provide access to Confidential Information or CEII pursuant to this item (viii), ColumbiaGrid shall promptly provide notice of such requirement to the Order 1000 Party that designated such information as Confidential Information or CEII and ColumbiaGrid shall take reasonable steps to protect the confidentiality of such information.

### **11.7 Disclosure of Confidential Information Pursuant to Statute or Administrative or Judicial Order**

Order 1000 Party(ies) and ColumbiaGrid shall each use reasonable efforts to maintain the confidentiality of all Confidential Information provided to it by another Order 1000 Party or ColumbiaGrid pursuant to this Order 1000 Agreement; *provided however that* Order 1000 Party(ies) and ColumbiaGrid shall each be entitled to disclose such Confidential Information if it is required to make such disclosure by statute or administrative or judicial order. Order 1000 Party(ies) and ColumbiaGrid shall, promptly upon its receipt of a request for such Confidential Information, each notify ColumbiaGrid and the Order 1000 Party that designated such information as Confidential Information of any such request. An Order 1000 Party or ColumbiaGrid whose Confidential Information is sought to be released may, in its sole discretion and at its sole cost and expense, undertake any challenge to such disclosure.

### **11.8 Disclosure of Information Subject to Standards of Conduct**

If an Order 1000 Party furnishes information marked as "Standards of Conduct Information" at the time of its furnishing, ColumbiaGrid shall not disclose such information to any Person, including the disclosing Order 1000 Party, unless such disclosure would be consistent with the Commission's regulations in 18 C.F.R. Part 358.

## **12. Dates as of Which this Order 1000 Agreement Becomes Effective**

### **12.1 Initial Order 1000 Parties**

This Order 1000 Agreement is initially executed and entered into between and among ColumbiaGrid, Avista Corporation, Puget Sound Energy, Inc., and MATL LLP and shall become effective as to ColumbiaGrid and all such initially executing Order 1000 Parties as of the date the respective Attachment Ks based upon this Order 1000 Agreement of each of Avista Corporation, Puget Sound Energy, Inc., and MATL LLP become effective ("Effective Date").

Upon the Effective Date, this Order 1000 Agreement shall supersede and replace in its entirety (i) the 2013 Order 1000 Functional Agreement and (ii) the 2014 Order 1000 Functional Agreement.

## **12.2 Subsequent Order 1000 Parties**

With respect to any Order 1000 Party that enters into this Order 1000 Agreement after the date this Order 1000 Agreement is initially entered into between and among ColumbiaGrid, Avista Corporation, Puget Sound Energy, Inc., and MATL LLP pursuant to section 12.1 of this Order 1000 Agreement, this Order 1000 Agreement shall be effective as to such Order 1000 Party as of the date it executes this Order 1000 Agreement by executing a counterpart signature page of this Order 1000 Agreement and delivers such counterpart signature page to ColumbiaGrid, which shall maintain such original counterpart signature page and shall prepare and distribute a conformed copy thereof to each of the Order 1000 Parties. No Person may become an Order 1000 Enrolled Party during any calendar year unless such Person has become an Order 1000 Enrolled Party not later than thirty days after the posting of the Final System Assessment Report and the Order 1000 Need Statements for such calendar year.

No Person is required to be an Order 1000 Party in order to participate pursuant to this Order 1000 Agreement in a Study Team, to request qualification of any proposed developer(s), owner(s), or operator(s) of an Order 1000 Project pursuant to section 2.5 of Appendix A, or to request consideration of the impact of a proposed Order 1000 Merchant Transmission Project pursuant to section 2.7 of Appendix A.

## **12.3 Renegotiation of This Order 1000 Agreement**

If the Commission requires changes in any Order 1000 Party's Attachment K and a modification of this Order 1000 Agreement is required for such Order 1000 Party to comply with such Commission's requirement, the Order 1000 Parties agree to negotiate in good faith in an attempt to modify this Order 1000 Agreement as appropriate to reflect such required changes in such Attachment K.

## **13. Withdrawal by Order 1000 Party**

**13.1** Any Order 1000 Party may withdraw from this Order 1000 Agreement by providing written notice of such withdrawal to ColumbiaGrid and each of the other Order 1000 Parties. Such withdrawal shall occur and be effective upon (i) the receipt of such written notice by ColumbiaGrid if the withdrawing Order 1000 Party is within the definition of 16 U.S.C. § 824(f) (and hence is not a "public utility" under Part II of the Federal Power Act) or (ii) the expiration of 90 days following the receipt of such written notice by ColumbiaGrid if the withdrawing Order 1000 Party is not within the definition of 16 U.S.C. § 824(f).

### **13.2 Any Order 1000 Enrolled Party that**

- (i) at any time owns or operates existing transmission facilities in the Regional Interconnected Systems that are operating; and

- (ii) after the expiration of 90 days after such time is either not a signatory to the PEFA or is Enrolled in an Order 1000 Planning Region other than ColumbiaGrid

shall be deemed to have withdrawn from this Order 1000 Agreement, which deemed withdrawal shall be effective upon the expiration of such 90-day period.

No Order 1000 Party that has withdrawn or has been deemed to have withdrawn pursuant to this section 13 shall have any obligation to make any payment pursuant to section 3 of this Order 1000 Agreement if such payment was not due on or before the date upon which the withdrawal or deemed withdrawal of such Order 1000 Party is effective. Upon the withdrawal or deemed withdrawal of such Order 1000 Party becoming effective, all rights and obligations under this Order 1000 Agreement of such Order 1000 Party shall terminate; provided that all obligations and liabilities of such Order 1000 Party accrued under this Order 1000 Agreement through the date upon which the withdrawal or deemed withdrawal of such Order 1000 Party is effective are hereby preserved until satisfied.

#### **14. Miscellaneous**

##### **14.1 Notices Under This Order 1000 Agreement**

**14.1.1 Permitted Methods of Notice.** Any notice, demand, or request to an Order 1000 Party or ColumbiaGrid in accordance with this Order 1000 Agreement, unless otherwise provided in this Order 1000 Agreement, shall be in writing and shall be deemed properly served, given, or made to the address of the receiving party set forth below (i) upon delivery if delivered in person, (ii) upon execution of the return receipt, if sent by registered United States or Canadian mail, postage prepaid, return receipt requested, or (iii) upon delivery if delivered by prepaid commercial courier service.

The address of ColumbiaGrid shall be:

8338 NE Alderwood Road  
Suite 140  
Portland, OR 97220  
Attn: Chief Executive Officer

The addresses of the initial Order 1000 Parties shall be:

Avista Corporation:

1411 E. Mission Ave.  
Spokane, WA 99202-1902  
Attn: Manager, Transmission Services

MATL LLP:

Fifth Avenue Place  
Suite 3000, 425 - 1st St, SW  
Calgary, AB T2P 3L8  
Attention: Director, Law, Green Power and Transmission

Puget Sound Energy, Inc.:

P.O. Box 97034  
Bellevue, WA 98009  
Attn: George Marshall, Director, Electric Transmission

**14.1.2 Change of Notice Address.** Any Order 1000 Party may at any time, by written notice to ColumbiaGrid, change the designation or address of the person specified to receive notice on its behalf. In such case, ColumbiaGrid shall promptly notify all of the other Order 1000 Parties of such change.

**14.1.3 Routine Notices.** Any notice of a routine character in connection with this Order 1000 Agreement shall be given in such a manner as the Order 1000 Parties may determine from time to time, unless otherwise provided in this Order 1000 Agreement.

**14.1.4 Initial Address of Subsequent Planning Party.** Any Order 1000 Party that enters into this Order 1000 Agreement pursuant to section 12.2 of this Order 1000 Agreement after execution of this Order 1000 Agreement by the initial Order 1000 Parties shall promptly give ColumbiaGrid written notice of the designation and address of the person specified to receive notice on its behalf. In such case, ColumbiaGrid shall promptly notify all of the other Order 1000 Parties of such designation and address.

## **14.2 Amendment or Modification**

This Order 1000 Agreement may not be amended or modified except by any subsequent mutual written agreement, duly executed by all then-current Order 1000 Parties to this Order 1000 Agreement and ColumbiaGrid.

If any provision of this Order 1000 Agreement, or the application thereof to any person, entity, or circumstance, is held by a court or regulatory authority of competent jurisdiction to be invalid, void, or unenforceable, or if a modification or condition to this Order 1000 Agreement is imposed by a regulatory authority exercising jurisdiction over this Order 1000 Agreement, the Order 1000 Parties and ColumbiaGrid shall endeavor in good faith to negotiate such amendment(s) to this Order 1000 Agreement as will restore the relative benefits and obligations of the signatories under this Order 1000 Agreement immediately prior to such holding, modification, or condition. If an Order 1000 Party finds such holding, modification, or condition unacceptable and the Order 1000 Parties and ColumbiaGrid are unable to renegotiate a mutually acceptable resolution, an Order 1000 Party may by written notice to each other Order 1000 Party and ColumbiaGrid withdraw from this Order 1000 Agreement pursuant to section 13 of this Order 1000 Agreement.

The Order 1000 Parties and ColumbiaGrid agree to use good faith efforts to negotiate amendments to this Order 1000 Agreement to conform with changes to the Attachment K of any Order 1000 Enrolled Party required by the Commission; *provided that* nothing in this section 14.2 shall obligate ColumbiaGrid or any Order 1000 Party to enter into any amendment to this Order 1000 Agreement.

#### **14.3 Construction of This Order 1000 Agreement**

Ambiguities or uncertainties in the wording of this Order 1000 Agreement shall not be construed for or against any Order 1000 Party or ColumbiaGrid, but shall be construed in a manner that most accurately reflects the purpose of this Order 1000 Agreement and the nature of the rights and obligations of the parties with respect to the matter being construed.

#### **14.4 Integration**

This Order 1000 Agreement constitutes the complete agreement of the Order 1000 Parties and ColumbiaGrid with respect to the subject matter of this Order 1000 Agreement, and supersedes all prior or contemporaneous representations, statements, negotiations, understandings, and inducements with respect to the subject matter of this Order 1000 Agreement.

#### **14.5 Existing Agreements Preserved**

Nothing in this Order 1000 Agreement shall be interpreted to supersede the requirements of any existing agreement unless otherwise expressly stated herein.

#### **14.6 Governing Law**

This Order 1000 Agreement shall in all respects be interpreted, construed, and enforced in accordance with the laws of the State of Washington, except to the extent that such laws may be preempted by the laws of the United States or of Canada, as applicable; *provided however that* notwithstanding the foregoing, with respect to a dispute involving an Order 1000 Party that is a United States government entity (including, but not limited to, a federal power marketing administration), this Order 1000 Agreement shall in all respects be interpreted, construed, and enforced in accordance with the laws of the United States. The Order 1000 Parties and ColumbiaGrid acknowledge that with respect to an Order 1000 Party that is an agency of the United States federal government under law in effect as of the Effective Date, such agency has not by this Order 1000 Agreement waived its sovereign immunity.

#### **14.7 Equitable Relief**

If an Order 1000 Party seeks injunctive or other equitable judicial relief for the failure of ColumbiaGrid to comply with its obligations to the Order 1000 Party under this Order 1000 Agreement, ColumbiaGrid agrees not to challenge such action on the basis that monetary damages would be a sufficient remedy.

#### **14.8 Singular and Plural; Use of “Or”**

Any use of the singular in this Order 1000 Agreement also includes the plural and any use of the plural also includes the singular. References to “or” shall be deemed to be disjunctive but not necessarily exclusive. References to “including”, “include”, and “includes” shall be deemed to mean “including, but not limited to”, “include, but not limited to”, and “includes, but not limited to”, respectively.

#### **14.9 Headings for Convenience Only**

The section headings in this Order 1000 Agreement are intended for convenience and reference only and are not intended to define, limit, or describe the scope or intent of any provisions of this Order 1000 Agreement.

#### **14.10 Relationship of the Order 1000 Parties and ColumbiaGrid**

**14.10.1 No Partnership, Etc.** Nothing contained in this Order 1000 Agreement shall be construed to create an agency, association, joint venture, trust, or partnership or to impose a trust or partnership covenant, obligation, or liability on or with regard to any of the Order 1000 Parties or ColumbiaGrid. Each Order 1000 Party and ColumbiaGrid shall be individually responsible for its own covenants, obligations, and liabilities under this Order 1000 Agreement.

**14.10.2 Rights Several.** All rights of the Order 1000 Parties and ColumbiaGrid are several, not joint. Except as may be expressly provided in this Order 1000 Agreement, no Order 1000 Party or ColumbiaGrid shall have a right or power to bind any other Order 1000 Party or ColumbiaGrid without such other party’s express written consent.

#### **14.11 No Third Person Beneficiaries**

This Order 1000 Agreement shall not be construed to create rights in, or to grant remedies to, any Third Person as a beneficiary of this Order 1000 Agreement or of any duty, obligation, or undertaking established in this Order 1000 Agreement. Nothing in this Order 1000 Agreement is intended to restrict the right of any Order 1000 Party or Interested Person to seek an order from the Commission under the Federal Power Act.

#### **14.12 No Dedication of Facilities**

No undertaking by any Order 1000 Party under or pursuant to any provision of this Order 1000 Agreement shall constitute or be deemed to constitute a dedication of all or any portion of such Order 1000 Party’s transmission system, to any other Order 1000 Party or ColumbiaGrid or to the public.

#### **14.13 Nonwaiver**

Any waiver at any time by any Order 1000 Party or ColumbiaGrid of its rights with respect to any default under this Order 1000 Agreement, or with respect to any other matter arising in connection with this Order 1000 Agreement, shall not constitute or be deemed a waiver

with respect to any other default or other matter arising in connection with this Order 1000 Agreement. Any waiver must be delivered in writing, executed by an authorized representative of the Order 1000 Party or ColumbiaGrid granting such waiver. Any delay short of the statutory period of limitations in asserting or enforcing any right shall not constitute or be deemed a waiver.

#### **14.14 Further Actions and Documents**

Each Order 1000 Party and ColumbiaGrid agree to do all things, including, but not limited to, the preparation, execution, delivery, filing, and recording of any instruments or agreements reasonably requested by any other Order 1000 Party or ColumbiaGrid necessary to carry out the provisions of this Order 1000 Agreement.

#### **14.15 Counterparts**

This Order 1000 Agreement may be executed in counterparts, which may be executed at different times. Each counterpart shall constitute an original, but all counterparts together shall constitute one and the same instrument. ColumbiaGrid shall maintain the original signature pages, and shall prepare and distribute a conformed copy of this Order 1000 Agreement to the Order 1000 Parties.

#### **14.16 No Expansion of Commission Authority**

Nothing in this Order 1000 Agreement, or any undertaking by or with ColumbiaGrid, is intended to (i) create or grant the Commission authority over entities or matters which it would not otherwise have, (ii) imply or establish that any Order 1000 Party or ColumbiaGrid agrees, or is precluded from contesting, as to whether or the extent to which the Commission has jurisdiction over an Order 1000 Party or ColumbiaGrid or matter or has the authority to order particular relief, or (iii) confer upon the Commission any role as arbitrator under this Order 1000 Agreement or any other decision-making role not expressly conferred upon the Commission by the Federal Power Act.

#### **14.17 Status of Order 1000 Parties Under this Order 1000 Agreement**

For the avoidance of doubt, any Order 1000 Party may only be an Order 1000 Enrolled Party, an ITP Proponent, or a Governmental Non-Enrolled Party.

Any Order 1000 Party that is a Planning Party and is within the definition of 16 U.S.C. § 824(f) (and hence is not a “public utility” under Part II of the Federal Power Act) may elect to be a Governmental Non-Enrolled Party under this Order 1000 Agreement by indicating in its signature block for this Order 1000 Agreement that it is a Governmental Non-Enrolled Party. If an Order 1000 Party indicates in its signature block for this Order 1000 Agreement that it is a Governmental Non-Enrolled Party, such Order 1000 Party, upon its execution and delivery of this Order 1000 Agreement, represents that it meets the definition of Governmental Non-Enrolled Party.

Any Order 1000 Party that is Enrolled in an Order 1000 Planning Region other than the Order 1000 ColumbiaGrid Planning Region may only be an ITP Proponent under this Order

1000 Agreement and must indicate in its signature block for this Order 1000 Agreement (i) that it is an ITP Proponent and (ii) the name of the Order 1000 Planning Region in which it is Enrolled; *provided that* an Order 1000 Non-Incumbent Transmission Developer may be Enrolled in the Order 1000 ColumbiaGrid Planning Region with respect to the proposed transmission facilities of such Non-Incumbent Transmission Developer in the Order 1000 ColumbiaGrid Planning Region identified pursuant to this section 14.17 and also Enrolled in another Order 1000 Planning Region. Any Order 1000 Enrolled Party that is an Order 1000 Non-Incumbent Transmission Developer shall advise ColumbiaGrid in writing of (i) any Order 1000 Planning Region other than the Order 1000 ColumbiaGrid Planning Region in which it is Enrolled and (ii) any proposed transmission facilities of such Order 1000 Enrolled Party in the Order 1000 ColumbiaGrid Planning Region.

If an Order 1000 Party indicates in its signature block for this Order 1000 Agreement that it is an ITP Proponent, such Order 1000 Party, upon its execution and delivery of this Order 1000 Agreement, represents that it meets the definition of ITP Proponent and that it is Enrolled in an Order 1000 Planning Region other than the Order 1000 ColumbiaGrid Planning Region, as indicated in such Order 1000 Party's signature block.

If an Order 1000 Party does not indicate in its signature block for this Order 1000 Agreement that it is a Governmental Non-Enrolled Party and does not indicate in its signature block for this Order 1000 Agreement that it is an ITP Proponent, such Order 1000 Party, upon its execution and delivery of this Order 1000 Agreement, represents that it meets the definition of Order 1000 Enrolled Party.

If at any time any representation any Order 1000 Party has made pursuant to this section 14.17 is not accurate, such Order 1000 Party shall immediately so notify each of the other Order 1000 Parties and ColumbiaGrid in writing and upon giving such notice shall be deemed to have given notice of withdrawal from this Order 1000 Agreement pursuant to section 13 of this Order 1000 Agreement. Any such notice of withdrawal shall be effective on that date that is 90 days after the date such notice has been given.

Upon the withdrawal (or deemed withdrawal) pursuant to section 13 of this Order 1000 Agreement of any Order 1000 Enrolled Party from this Order 1000 Agreement becoming effective, the withdrawing Order 1000 Enrolled Party shall no longer be Enrolled in the Order 1000 ColumbiaGrid Planning Region, shall no longer be an Order 1000 Enrolled Party and shall not be subject to any Order 1000 Cost Allocation approved by the Board pursuant to section 11 of Appendix A after the effective date of such withdrawal. Any Governmental Non-Enrolled Party shall not be allocated, and the Board shall not approve, an Order 1000 Cost Allocation to any Order 1000 Party that is a Governmental Non-Enrolled Party on the date of approval of such Order 1000 Cost Allocation.

#### **14.18 Representation of Authority**

Each Order 1000 Party and ColumbiaGrid, upon its execution and delivery of this Order 1000 Agreement, represents that it has authority to enter into and perform this Order 1000 Agreement. Each Order 1000 Party and ColumbiaGrid represents that the individual signing this

Order 1000 Agreement on its behalf is authorized to sign this Order 1000 Agreement on behalf of the party for which such individual signs.

#### **14.19 Order 1000 Parties' Records and Information Sharing**

Each Order 1000 Party shall maintain and make available for ColumbiaGrid's inspection at such Order 1000 Party's facilities, during normal business hours and upon request, data, records, and drawings describing the physical and electrical properties of such Order 1000 Party's Electric System, subject to any applicable provisions for protection of Confidential Information and CEII.

#### **14.20 Other Reports**

ColumbiaGrid may, upon reasonable notice to an Order 1000 Party, request that such Order 1000 Party provide ColumbiaGrid with such other information or reports as ColumbiaGrid may reasonably deem necessary for its performance of this Order 1000 Agreement. The Order 1000 Party shall, except to the extent prohibited by law, make all such information or reports available to ColumbiaGrid within a reasonable period of time and in a form specified by ColumbiaGrid, subject to any applicable provisions for protection of Confidential Information and CEII.

*Signature pages to follow*

IN WITNESS WHEREOF, the Order 1000 Parties and ColumbiaGrid have caused this Order 1000 Agreement to be executed in their respective names.

**ColumbiaGrid**

By:   
Name: Patrick J. Damiano  
Title: CEO/President  
Date: June 12, 2015

**Avista Corporation**

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

**MATL LLP**

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

**Puget Sound Energy, Inc.**

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

IN WITNESS WHEREOF, the Order 1000 Parties and ColumbiaGrid have caused this Order 1000 Agreement to be executed in their respective names.

**ColumbiaGrid**

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

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

**Avista Corporation**

By: Don Kopczynski  
Name: Don Kopczynski

Title: Vice President, Energy Delivery  
Date: June 12, 2015

**MATL LLP**

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

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

**Puget Sound Energy, Inc.**

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

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

IN WITNESS WHEREOF, the Order 1000 Parties and ColumbiaGrid have caused this Order 1000 Agreement to be executed in their respective names.

**ColumbiaGrid**

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

**Avista Corporation**

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

**MATL LLP**

By: Robert Stade  
Name: 11 June 2015  
Title: Director, Operational Support Services  
Date: June 11, 2015  
Robert Stade

**Puget Sound Energy, Inc.**

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

IN WITNESS WHEREOF, the Order 1000 Parties and ColumbiaGrid have caused this Order 1000 Agreement to be executed in their respective names.

**ColumbiaGrid**

**Avista Corporation**

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

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

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

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

**MATL LLP**

**Puget Sound Energy, Inc.**

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

By:   
Name: Josh Jacobs

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

Title: Director Load Serving Ops  
Date: 6/11/15

## APPENDIX A

### TRANSMISSION PLANNING PROCESS

#### 1. On-Going Planning Activities; Iterative Process; Interim Approval

Although the transmission planning processes identified in this Appendix A are described sequentially, it is anticipated that the planning activities under this Order 1000 Agreement will, except with respect to specific time periods and specific deadlines set forth in this Order 1000 Agreement, be performed on a flexible, iterative, and non-sequential basis. Accordingly, for example, ColumbiaGrid may submit Draft Order 1000 Need Statements to the Board as needed for review and comment without waiting until such time as the Draft System Assessment Report is submitted for review and comment. Planning activities under this Order 1000 Agreement will commence January 2015.

#### 2. Criteria and Factors

##### 2.1 Order 1000 Planning Criteria

With respect to Order 1000 Need(s), ColumbiaGrid shall apply the then-current versions of the following as Order 1000 Planning Criteria for its system assessment, System Assessment Reports, and Order 1000 Need Statements:

- (i) planning standards applicable to Order 1000 Enrolled Parties and ITP Proponents pursuant to law or regulation;
- (ii) NERC reliability standards;
- (iii) recognized regional planning or other reliability or transmission adequacy criteria developed by the consensus of the Order 1000 Enrolled Parties for use on their Order 1000 Transmission Systems (ColumbiaGrid may sponsor a process for development of such criteria); *provided that* an Order 1000 Enrolled Party may have other planning criteria that are more stringent than the ColumbiaGrid standards for use on its own Order 1000 Transmission System; and
- (iv) with respect to planning criteria applicable to any particular Order 1000 Enrolled Party, such additional criteria then accepted by such Order 1000 Enrolled Party and communicated to ColumbiaGrid by written notice; *provided that* any such additional criteria shall apply only to such Order 1000 Enrolled Party.

## **2.2 Order 1000 Needs Factors**

The factors used in selecting Order 1000 Needs from among Order 1000 Potential Needs to be included in the system assessment for possible identification in the System Assessment Report (“Order 1000 Needs Factors”) shall include the following:

- (i) the level and form of support for addressing the Order 1000 Potential Need (such as indications of willingness to purchase capacity and existing transmission service requests that could use capacity consistent with solutions that would address the Order 1000 Potential Need);
- (ii) the feasibility of addressing the Order 1000 Potential Need;
- (iii) the extent, if any, that addressing the Order 1000 Potential Need would also address other Order 1000 Potential Needs; and
- (iv) the factual basis supporting the Order 1000 Potential Need.

No single factor shall necessarily be determinative in selecting any Order 1000 Need from among the Order 1000 Potential Needs for inclusion in the system assessment.

## **2.3 Order 1000 Solution Evaluation Factors**

The factors used in evaluating proposed solutions, including Order 1000 Non-Transmission Alternatives, to address Order 1000 Needs shall include the following:

- (i) sponsorship and degree of development;
- (ii) feasibility;
- (iii) coordination with any affected transmission system and any other Order 1000 Affected Persons;
- (iv) economics;
- (v) effectiveness of performance;
- (vi) satisfaction of Order 1000 Need(s), including the extent to which the proposed solution satisfies multiple Order 1000 Needs;
- (vii) mitigation of any Order 1000 Material Adverse Impacts of such proposed solution on any transmission system; and
- (viii) consistency with applicable state, regional, and federal planning requirements and regulations.

No single factor shall necessarily be determinative in evaluating proposed solutions to address Order 1000 Needs.

## **2.4 Order 1000 Non-Transmission Alternatives**

If any Order 1000 Non-Transmission Alternative is adopted by the Person on whose Electric System it would be located, such Order 1000 Non-Transmission Alternative shall be included in the assumptions used in future system assessments, subject to subsequent updates on the status of such Order 1000 Non-Transmission Alternative.

## **2.5 Developer, Owner, or Operator Information Required to Enable Evaluation of Qualifications**

The following information must be submitted with respect to any proposed developer(s), owner(s), or operator(s) of an Order 1000 Project:

- (i) the identity of any proposed developer(s), owner(s), or operator(s);
- (ii) the current and expected capabilities, as applicable, of any proposed developer(s), owner(s), or operator(s) to finance, plan, design, develop, and construct transmission facilities on a timely basis and to own, reliably operate, and maintain such project for the life of such project;
- (iii) the current and expected capabilities, as applicable, of any proposed developer(s), owner(s), or operator(s) to adhere to construction, maintenance, and operating practices consistent with Good Utility Practices with respect to transmission facilities; and
- (iv) the creditworthiness of any Person proposed as developer(s), owner(s), or operator(s), as demonstrated for example by (a) an investment grade credit rating, (b) having a minimum tangible net worth of \$1 million or total assets of \$10 million, or (c) providing a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to ColumbiaGrid.

No Order 1000 Party shall be designated under this Order 1000 Agreement as the proposed developer, owner, or operator under this section 2.5 without such Order 1000 Party's consent. The requirement for any information listed above may be satisfied by reliance on relevant experience of third-party contractors; *provided however that* any third-party contractors to be relied upon must be specifically identified and ColumbiaGrid must be provided sufficient information regarding such third-party contractors to allow ColumbiaGrid to fully review and evaluate the relevant qualifications of such third-party contractors.

To the extent the information specified by this section 2.5 is submitted in writing to ColumbiaGrid with regard to any proposed developer, owner, or operator, ColumbiaGrid will, within 60 days of its receipt of all information specified by this section 2.5 with regard to such proposed developer, owner, or operator, make a determination whether any such proposed developer, owner, or operator is qualified to be a developer, owner, or operator, as applicable, under this Order 1000 Agreement and shall notify in writing such proposed developer, owner, or operator and each Order 1000 Party of its determination. In the event that ColumbiaGrid

determines that any proposed developer, owner, or operator is not qualified under this section 2.5, ColumbiaGrid shall notify such proposed developer, owner, or operator of such determination and shall list in such notice the deficiencies of any proposed developer, owner, or operator under this section 2.5. Any proposed developer, owner, or operator that ColumbiaGrid determines is not qualified under this section 2.5 may attempt to cure any such deficiencies by providing ColumbiaGrid additional information.

Any proposed developer, owner, or operator that ColumbiaGrid determines is qualified under this section 2.5 may, with such developer's, owner's, or operator's consent, be identified as the developer, owner, or operator, as applicable, of any ITP, Order 1000 Proposed Project, Order 1000 Eligible Project, or Order 1000 Project. ColumbiaGrid may from time to time request additional information regarding any such developer, owner, or operator to verify such developer's, owner's, or operator's qualifications under this section 2.5. Failure to provide such information with respect to any developer, owner, or operator that is reasonably requested by ColumbiaGrid may result in the failure of any developer, owner, or operator to qualify under this section 2.5. ColumbiaGrid may determine that any developer, owner, or operator previously qualified under this section 2.5 no longer qualifies under this section 2.5 for cause by providing such developer, owner, or operator written notice that it does not qualify under this section 2.5 and setting forth the reasons for such determination. Any such disqualified developer, owner, or operator may attempt to cure its deficiencies by providing ColumbiaGrid additional information.

## **2.6 Information Required to Enable a ColumbiaGrid Study Team to Evaluate a Proposed Solution to an Order 1000 Need(s)**

An Order 1000 Enrolled Party or ITP Proponent must submit to ColumbiaGrid the following information with respect to a proposed solution to an Order 1000 Need(s) for which it is a proponent:

- (i) purpose of the proposed solution and the Order 1000 Need(s) that the proposed solution would address;
- (ii) development schedule for such solution, indicating required steps, such as granting of state, federal, and local approvals necessary to develop and construct the proposed solution so as to timely meet the Order 1000 Need(s);
- (iii) new substations and transmission lines that would be created with the proposed solution;
- (iv) the identity of proposed developer(s), owner(s), or operator(s), if any developer(s), owner(s), or operator(s) are proposed;
- (v) for solutions that are anticipated to be ITPs, identification of the Relevant Planning Region(s) where any new facilities are proposed to be interconnected to and identification of the transmission system(s) to which any new facilities would interconnect;
- (vi) voltage level(s) of the proposed facilities;

- (vii) mileages associated with any new or upgraded transmission lines;
- (viii) planned conductor to be used for any proposed new or upgraded transmission lines;
- (ix) proposed increase in transmission system transfer capability associated with the proposed solution;
- (x) ratings of individual transmission facility components (*e.g.*, lines and transformers);
- (xi) electrical parameters of the proposed solution components as necessary to model them accurately in power flow simulations (*e.g.*, resistance, reactance, charging, ratings, *etc.*);
- (xii) the amount of reactive (in MVAR) for any proposed reactive components;
- (xiii) if the proposed solution involves new generation, then the machine parameters necessary to model the new generator(s) accurately in power flow and stability simulations (*e.g.*, machine reactances, time constants, control system parameters, *etc.*);
- (xiv) a list of new contingencies that should be analyzed as a result of the proposed solution;
- (xv) cost estimates in as much detail as is available; and
- (xvi) technical studies and analysis, if performed, to support the proposed solution.

An Order 1000 Merchant Transmission Project that is proposed by an Order 1000 Party must submit comparable information (exclusive of items (i), (ii), and (xv)) to ColumbiaGrid with respect to transmission facilities it proposes to develop.

Staff shall give an Order 1000 Enrolled Party(ies) or ITP Proponent(s) that has submitted information listed above written notice describing any deficiencies in such information, and such Order 1000 Enrolled Party(ies) or ITP Proponent(s) shall have 30 days after receipt of such notice to cure such deficiencies. To ensure that a proposed solution is considered by a Study Team, such information, including any cure of deficiencies, must be submitted not later than 30 days after the issuance of the Final System Assessment Report for the Biennial Plan then being developed. To the extent that any required information regarding a proposed solution is submitted after the time for submitting such information specified in the preceding sentence, such proposed solution will be considered by the Study Team only insofar as, in ColumbiaGrid's sole discretion, such consideration is practicable.

Any Order 1000 Enrolled Party, ITP Proponent, or Person requesting consideration of impacts pursuant to section 2.7 of this Appendix A may submit any other studies and analysis performed to support the proposed transmission facilities.

ColumbiaGrid may from time to time request additional information regarding a proposed solution to an Order 1000 Need(s) from a proponent thereof.

## **2.7 Consideration of Impacts of Order 1000 Merchant Transmission Projects**

If any Person proposes to develop, own, or operate an Order 1000 Merchant Transmission Project, such Person may request in writing that ColumbiaGrid consider the impacts of such proposed Order 1000 Merchant Transmission Project pursuant to this section 2.7. Upon ColumbiaGrid's receipt of such request and the information required in section 2.6 of this Appendix A to be provided (exclusive of items (i), (ii), and (xv)), ColumbiaGrid will to the extent practicable consider the impacts of such Order 1000 Merchant Transmission Project on the facilities in the Order 1000 ColumbiaGrid Planning Region as part of its next system assessment under conditions studied in such system assessment. For purposes of section 4.7 of the body of this Order 1000 Agreement, any Person (other than an Order 1000 Party) requesting consideration of impacts pursuant to section 2.7 of this Appendix A shall be a Third Person.

## **3. System Assessment Report and Order 1000 Need Statements**

Each year, commencing 2015, ColumbiaGrid shall prepare Draft Order 1000 Need Statements and Order 1000 Need Statements and a Draft System Assessment Report and a Final System Assessment Report.

### **3.1 Order 1000 Needs Meeting**

During January of each year, but not later than March 31st of each year, Staff will hold an Order 1000 Needs Meeting, to which Interested Persons will be invited, and notice of such meeting will be posted on the Website. The purpose of such meeting will be to discuss Order 1000 Potential Needs that should be included in the upcoming system assessment.

Prior to such meeting, Interested Persons may submit written suggestions to ColumbiaGrid of items that should be considered for inclusion as Order 1000 Potential Need(s), including suggested Order 1000 Potential Need(s) that are driven by (i) reliability requirements, (ii) economic considerations, or (iii) Public Policy Requirements.

### **3.2 Order 1000 Need(s) for Draft System Assessment Report**

**3.2.1** ColumbiaGrid, in coordination with the Order 1000 Parties and Interested Persons, shall perform a system assessment and prepare a Draft System Assessment Report

- (i) to identify Order 1000 Need(s) by using screening studies of the Order 1000 ColumbiaGrid Planning Region and using the Order 1000 Planning Criteria and Order 1000 Needs Factors to identify, from the Order 1000 Potential Need(s), Order 1000 Need(s), if

any, including Order 1000 Needs that are driven by (a) reliability requirements, (b) economic considerations, or (c) Public Policy Requirements, projected to occur during the Planning Horizon; *provided that* Draft Order 1000 Need Statements need not be prepared for a Draft System Assessment Report for the second year of a Planning Cycle for any Order 1000 Need already identified in the previous System Assessment Report; and

- (ii) to reevaluate Order 1000 Projects included in prior Plans pursuant to section 3.3 of this Appendix A.

**3.2.2** ColumbiaGrid shall perform the system assessment and base such assessment on the then-current and appropriate WECC planning base cases; *provided that* Order 1000 Enrolled Parties shall provide updates to the input previously provided to ColumbiaGrid pursuant to sections 4.1 and 4.6 of the body of this Order 1000 Agreement; *provided further that* ColumbiaGrid shall insofar as practicable consider other information supplied by Order 1000 Enrolled Parties, customers of Order 1000 Enrolled Parties, other Interested Persons, and stakeholders. ColumbiaGrid shall insofar as practicable update the then-current WECC planning base case to reflect such updated information so that the system assessment reflects on-going projects and the likely completion dates of such projects to the extent such projects and completion dates are reasonably forecasted to occur prior to the end of the Planning Horizon.

**3.2.3** ColumbiaGrid shall post drafts of the system assessment results on the Website as they become available during the system assessment process subject to any appropriate conditions to protect Confidential Information and CEII.

**3.2.4** ColumbiaGrid, in coordination with the Order 1000 Parties and Interested Persons, shall apply the Order 1000 Needs Factors set forth in section 2.2 of this Appendix A to select Order 1000 Need(s) projected to occur during the Planning Horizon, shall develop conceptual transmission solutions that address any Order 1000 Need(s), and shall develop a Draft Order 1000 Need Statement for each such Order 1000 Need. Each such Draft Order 1000 Need Statement shall, at a minimum, include the following information:

- (i) a narrative description of the Order 1000 Need and the assumptions, applicable Order 1000 Planning Criteria, and methodology used to determine the Order 1000 Need;
- (ii) one or more conceptual transmission-based solutions to meet the Order 1000 Need with estimated timelines and estimated costs to implement each such solution; and
- (iii) an indication of whether a non-transmission solution might be viable to eliminate or delay the necessity for a transmission-based solution.

In the event that ColumbiaGrid and the Order 1000 Parties and Interested Persons participating in the system assessment do not reach consensus on the content of any Draft Order 1000 Need Statement, Staff shall determine the content of such Draft Order 1000 Need Statement; *provided*

*that* in making its determination, Staff shall consider any comments and possible solutions suggested by any Order 1000 Party, Interested Person, or stakeholders participating in the system assessment; *provided further that* ColumbiaGrid shall note in the Draft Order 1000 Need Statement that Staff determined the content of such statement and shall report the comments of Order 1000 Parties, Interested Persons, and stakeholders.

**3.2.5** ColumbiaGrid shall post drafts of the Draft Order 1000 Need Statements, as they become available, on the Website subject to any appropriate conditions to protect Confidential Information and CEII. Order 1000 Parties, Interested Persons, and stakeholders may submit written comments to ColumbiaGrid on the Draft Order 1000 Need Statements and ColumbiaGrid will insofar as practicable consider any such comments in preparing the final Order 1000 Need Statements. ColumbiaGrid shall present the Draft Order 1000 Need Statements to the Board for review and comment and shall incorporate any Board comments in the final Order 1000 Need Statements. ColumbiaGrid shall post, subject to any appropriate conditions to protect Confidential Information and CEII, Order 1000 Need Statements and documentation of the basis upon which Order 1000 Potential Need(s), including Order 1000 Potential Need(s) driven by Public Policy Requirements, were or were not selected as Order 1000 Need(s) on the Website.

### **3.3 Reevaluation of Order 1000 Project(s)**

Staff, in consultation with any identified developer, owner, or operator and any Order 1000 Beneficiary and ITP Proponent of an Order 1000 Project, shall in each system assessment reevaluate the most recent prior Plan, taken as a whole, to determine if changes in circumstances, including delays in the development of an Order 1000 Project included in such prior Plan, require evaluation of alternative transmission solutions, including those that the incumbent Order 1000 Enrolled Party proposes, so that the incumbent Order 1000 Enrolled Party as a transmission provider can meet its reliability needs or service obligations. Based on such reevaluation, Staff shall recommend removal of a project as an Order 1000 Project in the Plan if:

- (i) the Order 1000 Project would no longer qualify for selection as an Order 1000 Project;
- (ii) a project development schedule for the Order 1000 Project has not been submitted to ColumbiaGrid as required by item (ii) of section 2.6 of this Appendix A demonstrating that the Order 1000 Project will timely meet Order 1000 Need(s);
- (iii) the development of the Order 1000 Project is not progressing consistent with the project development schedule such that the Order 1000 Project will not timely meet Order 1000 Need(s);
- (iv) if all Order 1000 Parties that requested Order 1000 Cost Allocation for the Order 1000 Project have withdrawn their requests for Order 1000 Cost Allocation in accordance with section 5.2 of this Appendix A; or

- (v) the developer(s), owner(s), or operator(s) of the Order 1000 Project fail to provide information regarding the Order 1000 Project that is needed for the reevaluation pursuant to this section 3.3.

The Board shall make the final determination as to the removal of an Order 1000 Project from a Plan as an Order 1000 Project (and upon such removal any Order 1000 Cost Allocation associated with such Order 1000 Project will be vacated).

In the event that an Order 1000 Project is removed from a Plan, an Order 1000 Enrolled Party may propose solutions that it would implement within its retail distribution service territory or footprint, if any evaluation of alternatives is needed. If an Order 1000 Enrolled Party proposes transmission facilities as a proposed solution to Order 1000 Need(s), such proposed transmission facilities will be evaluated as a proposed solution in accordance with this Order 1000 Agreement.

### **3.4 Draft System Assessment Report**

ColumbiaGrid, in coordination with Order 1000 Parties and Interested Persons, shall prepare a Draft System Assessment Report. Such Draft System Assessment Report shall reflect Order 1000 Needs identified in the Order 1000 Need Statement(s) that are projected to occur during the Planning Horizon.

During the development of the Draft System Assessment Report, each Order 1000 Party shall endeavor to inform Staff of any material change in conditions (anticipated to occur during the Planning Horizon) with respect to such Order 1000 Party of which it is aware affecting any Order 1000 Need(s) under consideration in the Draft System Assessment Report. ColumbiaGrid shall insofar as practicable take into account any such updates in its Draft System Assessment Report.

ColumbiaGrid shall post for comment on the Website, subject to any appropriate conditions to protect Confidential Information and CEII, the Draft System Assessment Report. Staff will consider any comments submitted by stakeholders within 15 days of the posting and prior to the submission to the Board will consider any revisions to the Draft System Assessment Report that should be made as a result of such comments. Staff will present the Draft System Assessment Report, including the Order 1000 Need Statements, to the Board for review and comment.

### **3.5 Final System Assessment Report**

ColumbiaGrid will incorporate in the Final System Assessment Report the comments of the Board on the Draft System Assessment Report. ColumbiaGrid shall post on the Website, subject to any appropriate conditions to protect Confidential Information and CEII, the Final System Assessment Report.

#### **4. Study Teams**

ColumbiaGrid shall endeavor to post on the Website, not later than ten business days prior to any meeting of a Study Team, information regarding any potential solutions to address any Order 1000 Need(s) to be discussed at such meeting.

##### **4.1 Formation of Study Teams**

Unless assigned to an existing Study Team, ColumbiaGrid shall form Study Team(s) to develop a plan(s) of service to address Order 1000 Need(s), including plan(s) of service for Order 1000 Proposed Staff Solutions. When such Study Teams have been formed, ColumbiaGrid shall give notice to those Order 1000 Parties and Interested Persons that ColumbiaGrid anticipates will be materially affected.

Staff shall hold a public meeting, with general notice to Order 1000 Parties and Relevant State and Provincial Agencies and other Interested Persons and specific notice to those Order 1000 Parties and Interested Persons that ColumbiaGrid anticipates may be materially affected, for the purpose of reviewing each Order 1000 Need Statement and soliciting participation in a Study Team to address each Order 1000 Need. Staff shall also consider convening Study Teams that address more than one Order 1000 Need. Staff shall monitor the progress of each Study Team and will, as appropriate, bring Study Teams together (including Study Teams formed under the PEFA) in order to resolve differences, gain efficiencies or effectiveness, or develop solutions that meet more than one Order 1000 Need.

##### **4.2 Participation in Study Teams**

**4.2.1** ColumbiaGrid shall participate in each Study Team and, as needed, manage and facilitate the Study Team process. ColumbiaGrid shall endeavor to post on the Website, not later than ten business days prior to any meeting of a Study Team, information regarding Order 1000 Need(s) and potential solutions to be discussed at such meeting. ColumbiaGrid shall post on the Website, subject to any appropriate conditions to protect Confidential Information and CEII, drafts of summaries of the progress of the Study Teams, including the development of any proposed solutions to address any Order 1000 Need(s). If the Study Team determines that an Order 1000 Party that is not participating in the Study Team may be materially affected by the proposed solution to an Order 1000 Need(s) being developed by such Study Team, ColumbiaGrid shall so notify such Order 1000 Party, and such Order 1000 Party shall participate in the Study Team.

**4.2.2** Any Order 1000 Party, Order 1000 Affected Person, Relevant State and Provincial Agency, or other Interested Person may participate in a Study Team, except as such participation may be subject to restrictions in tariffs (*see, e.g., pro forma open access transmission tariff, sections 17.2 and 18.2*) or applicable law. Order 1000 Party(ies) that are potentially materially affected by an Order 1000 Need(s) shall participate in the Study Team relating to such Order 1000 Need(s).

**4.2.3** With respect to the development by the Study Team of a proposed solution to an Order 1000 Need(s),

- (i) Order 1000 Enrolled Party(ies) with an Order 1000 Need(s) that is proposed to be met by an Order 1000 Proposed Staff Solution shall assume primary responsibility for leading and performing necessary analytical work for such solution in the Study Team; and
- (ii) Order 1000 Enrolled Party(ies) (or ITP Proponent(s)) that is a proponent of a proposed solution other than an Order 1000 Proposed Staff Solution shall assume primary responsibility for leading and performing necessary analytical work for such solution in the Study Team; *provided that* each Order 1000 Enrolled Party(ies) with an Order 1000 Need(s) that is proposed to be met by such solution shall assume primary responsibility for assessing whether such solution satisfies its Order 1000 Need(s).

At such time that ColumbiaGrid determines that an Order 1000 Party or other Person that is not involved may be materially affected by the Order 1000 Proposed Project being developed, ColumbiaGrid shall so notify such Order 1000 Party or other Person. Any such Order 1000 Party so notified shall, and any such other Person may, participate in the Study Team.

#### **4.3 Scope of Study Team Activities**

This section 4.3 describes the development by the Study Team of a plan(s) of service to address an Order 1000 Need(s). The proposed transmission facilities of an Order 1000 Transmission System(s) included in a plan of service that address an Order 1000 Need(s) are referred to in this Order 1000 Agreement as “Order 1000 Proposed Projects.”

The general objective of a Study Team shall be, with respect to any Order 1000 Need(s), to collaboratively and timely develop all required elements of a plan(s) of service to address Order 1000 Need(s) as provided in this section 4. In developing such plan(s) of service, a Study Team will evaluate any proposed solutions to an Order 1000 Need(s), including Order 1000 Non-Transmission Alternatives and conceptual solutions, that are:

- (i) reflected in the relevant System Assessment Report(s); or
- (ii) proposed by any Study Team participant to address such Order 1000 Need(s); *provided that* the information, including data, needed in order for the Study Team to evaluate such proposed solutions has been provided to ColumbiaGrid.

In performing its evaluation, the Study Team shall assess the ability of any proposed solution to address an Order 1000 Need(s) considering the factors as described in section 2.3 of this Appendix A, including assessment of any Order 1000 Material Adverse Impact of such proposed solution on any transmission system and the mitigation thereof. In addition, the Study Team shall assess whether there is a solution that is a more efficient or cost-effective alternative, applying such factors, to address Order 1000 Need(s). Taking such assessments into account, the Study Team shall attempt to reach agreement on all of the elements of a plan(s) of service to meet the Order 1000 Need(s).

In the event that the Study Team does not reach consensus on all of the elements of a plan(s) of service, Staff shall determine all of the elements, upon which the Study Team did not reach consensus, of a plan(s) of service to meet Order 1000 Need(s); *provided that* in making its determination, Staff shall consider any comments by any Order 1000 Party or Interested Person; *provided further that* ColumbiaGrid shall in the final Study Team Report note which of the elements of the plan(s) of service it determined and shall note the comments of Order 1000 Parties and Interested Persons. In making such determination, Staff shall assess the ability of any proposed solution to address an Order 1000 Need(s) considering the factors as described in section 2.3 of this Appendix A, including assessment of any Order 1000 Material Adverse Impact of such proposed solution on any transmission system and the mitigation thereof.

#### **4.4 Order 1000 Proposed Staff Solutions and Their Development by Study Teams**

Staff, in consultation with the Study Team and Interested Persons, will review each plan of service that is included in a final Study Team report and assess whether Order 1000 Needs, when taken together, can be met by any more efficient or cost-effective transmission solution. If any such transmission solution is identified as a result of such assessment as a more efficient or cost-effective solution to an Order 1000 Need(s) ("Order 1000 Proposed Staff Solution"), Staff will develop information regarding such transmission solution that is comparable to the information that is to be provided pursuant to section 2.6 of this Appendix A. However, such data will not include any assumption regarding the identity of the sponsor, developer, owner, or operator of any facilities of such transmission solution. A plan of service for any Order 1000 Proposed Staff Solution will be developed by a Study Team (or by Staff in the absence of consensus) as described in section 4.3 of Appendix A, and the transmission facilities included in such plan of service may be an Order 1000 Proposed Project.

### **5. Identification of Order 1000 Proposed Projects and Order 1000 Eligible Projects and Selection of Order 1000 Projects**

#### **5.1 Identification of Order 1000 Proposed Projects and Order 1000 Eligible Projects**

Not later than 30 days after the issuance of a final Study Team report (including any final Study Team report with respect to a plan of service for an Order 1000 Proposed Staff Solution), an Order 1000 Enrolled Party or ITP Proponent may request that Staff identify any Order 1000 Eligible Project(s) included therein. Any such request shall be submitted in writing to ColumbiaGrid. Upon receipt of any such request, Staff, in consultation with Interested Persons, will

- (i) review the plan of service that is included in such final Study Team report and identify any Order 1000 Proposed Projects included therein that are either (a) intraregional (*i.e.*, located within the Order 1000 ColumbiaGrid Planning Region), or (b) an ITP; and
- (ii) identify from among the Order 1000 Proposed Project(s) included in such final Study Team report any Order 1000 Proposed

Project(s) that is a more efficient or cost-effective solution to an Order 1000 Need(s).

Any Order 1000 Proposed Project so identified pursuant to item (ii) above is an “Order 1000 Eligible Project.” An Order 1000 Eligible Project is eligible for consideration to be selected as an Order 1000 Project. An Order 1000 Eligible Project may qualify for and receive an Order 1000 Cost Allocation only if (1) such Order 1000 Eligible Project is selected as an Order 1000 Project in accordance with section 5.3 of this Appendix A; and (2) if the Order 1000 Eligible Project is an ITP, the Order 1000 Enrolled Party or ITP Proponent that is the proponent of such ITP also requests Interregional Cost Allocation for such Order 1000 Eligible Project.

For each request, Staff shall prepare and post on the Website, subject to any appropriate conditions to protect Confidential Information and CEII, a description of any Order 1000 Eligible Project(s), and, with respect to any Order 1000 Proposed Project that was not selected as an Order 1000 Eligible Project, an explanation of why such Order 1000 Proposed Project was not selected as an Order 1000 Eligible Project.

## **5.2 Timely Request for Order 1000 Cost Allocation**

Not later than 60 days after ColumbiaGrid has posted a description of any Order 1000 Eligible Project(s) pursuant to section 5.1 of this Appendix A on the Website, an Order 1000 Enrolled Party(ies) or ITP Proponent(s) may request Order 1000 Cost Allocation for any such Order 1000 Eligible Project(s) for which such Order 1000 Enrolled Party(ies) or ITP Proponent(s) is a proponent; *provided that* an ITP Proponent may request an Order 1000 Cost Allocation for an Order 1000 Project only if such project is an ITP and if such ITP Proponent is Enrolled in a Relevant Planning Region for such ITP. Not later than 60 days after ColumbiaGrid has posted a description of any Order 1000 Eligible Project(s) pursuant to section 5.1 of this Appendix A on the Website, an Order 1000 Enrolled Party(ies) or ITP Proponent(s) may request Order 1000 Cost Allocation for any such Order 1000 Eligible Project(s) that is an Order 1000 Proposed Staff Solution; *provided that* an ITP Proponent(s) may request an Order 1000 Cost Allocation for an Order 1000 Project only if such project is an ITP and if such ITP Proponent(s) is Enrolled in a Relevant Planning Region for such ITP. Any request for an Order 1000 Cost Allocation for an Order 1000 Eligible Project shall be submitted in writing to ColumbiaGrid. ColumbiaGrid shall post all such requests on the Website, and distribute copies of such requests to all Order 1000 Parties and participants in the Study Team that developed the Order 1000 Eligible Project. Any request for Order 1000 Cost Allocation for an Order 1000 Eligible Project submitted after the applicable foregoing deadline is not timely and will not be considered. A request for Order 1000 Cost Allocation for an Order 1000 Eligible Project that is an ITP must include a request for Interregional Cost Allocation for such ITP in accordance with sections 7.5.1 and 8.4 of this Appendix A. An Order 1000 Cost Allocation for an Order 1000 Eligible Project may not be requested pursuant to this section 5.2 if an Order 1000 Cost Allocation has been previously requested pursuant to this section 5.2 for such Order 1000 Eligible Project and such request has not been withdrawn.

An Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requests Order 1000 Cost Allocation for an Order 1000 Eligible Project in accordance with this section 5.2 may withdraw its request for such Order 1000 Cost Allocation at any time (including after such Order 1000

Eligible Project has been selected by ColumbiaGrid as an Order 1000 Project). Such request may be withdrawn by submitting notice of withdrawal of such request to ColumbiaGrid in writing. In the event that more than one Order 1000 Enrolled Party or ITP Proponent has requested Order 1000 Cost Allocation for an Order 1000 Eligible Project, and it is an Order 1000 Project, so long as at least one such party's request has not been withdrawn, and if no agreement on implementation has been reached in accordance with section 5.4 of this Appendix A, ColumbiaGrid shall apply the Order 1000 Cost Allocation Methodology to such Order 1000 Project in accordance with section 6 of this Appendix A.

For an Order 1000 Project that receives an Order 1000 Cost Allocation prior to the identification of its owner(s) or operator(s), such Order 1000 Cost Allocation will be reperformed if and at such time as the owner(s) or operator(s) of the transmission facilities comprising such project are identified and any Order 1000 Enrolled Party(ies) or ITP Proponent(s) requests such reperformance. Upon such reperformance, any prior Order 1000 Cost Allocation with respect to such Order 1000 Project shall be vacated.

### **5.3 Selection as Order 1000 Project**

For each Order 1000 Eligible Project for which Order 1000 Cost Allocation has been timely requested pursuant to section 5.2 of this Appendix A, the Board shall, in an open, public process (subject to any appropriate conditions to protect Confidential Information and CEII), review such Order 1000 Eligible Project and either (i) confirm that such Order 1000 Eligible Project is a more efficient or cost-effective solution to meet an Order 1000 Need(s) and post such confirmation on the Website or (ii) document and post on the Website its reasons for not confirming that such Order 1000 Eligible Project is the more efficient or cost-effective solution to meet an Order 1000 Need(s). In determining whether or not to so confirm an Order 1000 Eligible Project, the Board shall consider the factors as described in section 2.3 of this Appendix A, including assessment of any Order 1000 Material Adverse Impact of such proposed solution on any transmission system and the mitigation thereof. An Order 1000 Eligible Project that the Board confirms is a more efficient or cost-effective solution in accordance with this section 5.3 is an Order 1000 Eligible Project that has been selected as an "Order 1000 Project". Each such Order 1000 Eligible Project is an "Order 1000 Project" under this Order 1000 Agreement, unless or until such time as (a) all Order 1000 Parties that timely requested Order 1000 Cost Allocation for such Order 1000 Eligible Project have withdrawn such requests in accordance with section 5.2 of this Appendix A, (b) the Benefit to Cost Ratio for such project is determined pursuant to section 6.3.2 of this Appendix A to be less than 1.25, (c) an agreement on implementation of such project is reached in accordance with section 5.4 of this Appendix A or section 6.4 of this Appendix A, or (d) such project is removed from a Plan as an Order 1000 Project pursuant to sections 3.3 and 11.4.1 of this Appendix A.

All requests for Order 1000 Cost Allocation for an Order 1000 Eligible Project that is not selected by ColumbiaGrid as an Order 1000 Project shall be deemed withdrawn. All requests for Order 1000 Cost Allocation for an Order 1000 Eligible Project that is selected by ColumbiaGrid as an Order 1000 Project but for which the Benefit to Cost Ratio for such Order 1000 Project is determined pursuant to section 6.3.2 of this Appendix A to be less than 1.25 shall be deemed withdrawn. For the avoidance of doubt, in no event shall ColumbiaGrid perform an Order 1000 Cost Allocation for any project, including any Order 1000 Eligible Project, unless and until

ColumbiaGrid selects such project as an Order 1000 Project and, to the extent that an Order 1000 Cost Allocation is performed for an Order 1000 Project and the requests for Order 1000 Cost Allocation for such Order 1000 Project are subsequently withdrawn or are deemed withdrawn, such Order 1000 Cost Allocation will be vacated.

#### **5.4 Negotiation Period for Implementation of an Order 1000 Project**

After ColumbiaGrid has selected an Order 1000 Eligible Project as an Order 1000 Project in accordance with section 5.3 of this Appendix A, ColumbiaGrid shall allow six full calendar months (“Negotiation Period”) for Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requested the Order 1000 Cost Allocation with respect to such Order 1000 Project and all Order 1000 Affected Persons with respect to such Order 1000 Project to reach agreement on implementation of such Order 1000 Project, including responsibility for the funding of such Order 1000 Project. ColumbiaGrid shall allow additional time (“Extended Negotiation Period”) for Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requested such Order 1000 Cost Allocation and all such Order 1000 Affected Persons to reach agreement on implementation of such Order 1000 Project, including responsibility for the funding of such Order 1000 Project, if such Extended Negotiation Period is requested by all such Order 1000 Party(ies) or ITP Proponent(s) and by all such Order 1000 Affected Persons.

#### **6. Application of Order 1000 Cost Allocation Methodology**

ColumbiaGrid shall perform a Preliminary Cost Allocation by applying the Order 1000 Cost Allocation Methodology to an Order 1000 Project in accordance with this section 6, unless (i) the Order 1000 Party(ies) requesting Order 1000 Cost Allocation for an Order 1000 Project has withdrawn its request (or such request is deemed withdrawn) for Order 1000 Cost Allocation, or (ii) agreement has been reached on implementation of such Order 1000 Project pursuant to section 5.4 of this Appendix A. If a Negotiation Period or Extended Negotiation Period is requested for an Order 1000 Project in accordance with section 5.4 of this Appendix A, ColumbiaGrid will not apply the Order 1000 Cost Allocation Methodology to such Order 1000 Project until such time as the requested Negotiation Period and, if applicable, Extended Negotiation Period have expired and no agreement on implementation for the Order 1000 Project has been reached.

For purposes of applying the Order 1000 Cost Allocation Methodology to an Order 1000 Project, ColumbiaGrid shall identify pursuant to section 6.1 of this Appendix A projected costs of such Order 1000 Project and, pursuant to section 6.2 of this Appendix A, identify Order 1000 Benefits and Order 1000 Beneficiaries (and deemed Order 1000 Benefits and Order 1000 Beneficiaries as applicable), and apply the Order 1000 Cost Allocation Methodology to such Order 1000 Project as follows:

- (a) Pursuant to section 6.3 of this Appendix A, Staff shall perform a Preliminary Cost Allocation, under which any Order 1000 Beneficiary(ies) is deemed to include any Governmental Non-Enrolled Party(ies) and Order 1000 Benefits are deemed to include benefits calculated pursuant to section 1.31 of the body of this Order 1000 Agreement and section 6.2.2 of this Appendix A for each Governmental Non-Enrolled Party as if it were an Order 1000 Enrolled Party.

- (b) If written agreement following item (a) above on Order 1000 Project implementation, including responsibilities for funding such project, is not reached in accordance with section 6.4 of this Appendix A, Staff shall reperform, pursuant to section 6.3 of this Appendix A, a Preliminary Cost Allocation, under which Order 1000 Enrolled Party(ies) are the only Order 1000 Beneficiaries. As necessary, the performance of the Preliminary Cost Allocation, pursuant to this item (b), shall be reperformed if an Order 1000 Enrolled Party withdraws (or is deemed to withdraw) from this Order 1000 Agreement pursuant to section 13 of the body of this Order 1000 Agreement prior to the approval by the Board, pursuant to section 11 of Appendix A, of the Order 1000 Cost Allocation for such Order 1000 Project.

### **6.1 Order 1000 Project Costs**

ColumbiaGrid shall project the capital costs of each Order 1000 Project (including the capital costs of transmission facilities that are required to mitigate Order 1000 Material Adverse Impacts (if such facilities are within the Order 1000 ColumbiaGrid Planning Region and, subject to the next paragraph, if such facilities are outside the Order 1000 ColumbiaGrid Planning Region) due to such Order 1000 Project) for which it is to apply the Order 1000 Cost Allocation Methodology. Such projection may be based on information provided by the Order 1000 Project developer(s), owner(s), or operator(s); the Study Team; or ColumbiaGrid. In developing such projection, ColumbiaGrid may also seek the input of Third Persons. ColumbiaGrid shall document the basis for its projection and make supporting information available to the extent practicable consistent with any applicable confidentiality and CEII requirements.

For purposes of Order 1000 Cost Allocation, the projected costs of any Order 1000 Project (other than an ITP) will include the projected costs required as a result of such project, if any, (i) that relate to transmission facilities outside the Order 1000 ColumbiaGrid Planning Region and (ii) that all Order 1000 Beneficiaries of such Order 1000 Project agree, in writing, to bear.

For purposes of Interregional Cost Allocation, the projected costs of any ITP for which the Order 1000 ColumbiaGrid Planning Region is a Relevant Planning Region will include the projected costs required as a result of such ITP, if any, (a) that relate to transmission facilities outside any Relevant Planning Region and (b) that all transmission providers in the Relevant Planning Regions that are beneficiaries of such ITP agree, in writing with all other such beneficiaries, to bear.

### **6.2 Order 1000 Benefits and Beneficiaries**

ColumbiaGrid shall identify any Order 1000 Beneficiaries and project the Order 1000 Benefits of each such beneficiary projected as a direct result of each Order 1000 Project for which it is to apply the Order 1000 Cost Allocation Methodology.

**6.2.1 Analytical Tools and Methodologies for Projecting Order 1000 Benefits.** Analysis to project Order 1000 Benefits of an Order 1000 Beneficiary for an Order 1000 Project will include the following:

- (i) Tools for determining Order 1000 Benefits as described in items (i) and (ii)(a) of section 1.31 of the body of this Order 1000 Agreement are as follows: Power flow and stability studies will be used to project the changes in transmission capacity on an Order 1000 Beneficiary's Order 1000 Transmission System due to an Order 1000 Project and the resulting extent, if any, to which any Order 1000 Beneficiary of such project would avoid costs due to elimination or deferral of planned transmission facility additions through changes in facility loading, transient stability, or voltage performance; and
- (ii) Tools and methodologies for determining Order 1000 Benefits as described in item (ii)(b) of section 1.31 of the body of this Order 1000 Agreement are as follows:
  - (a) Power flow and stability studies will be used to project changes, if any, to transfer capability (through changes in facility loading, transient stability, or voltage performance) on transmission paths or flowgates that (1) include facilities of an Order 1000 Beneficiary and (2) have increased transfer capability as a result of the Order 1000 Project;
  - (b) Projected changes, if any, of potential usability of transmission paths or flowgates that (1) include facilities of an Order 1000 Beneficiary and (2) have increased transfer capability as a result of the Order 1000 Project resulting from the changes in transfer capability projected pursuant to item (a) above will be assessed using production cost studies (existing or new);
  - (c) Any transmission queue, precedent transmission service agreements, and other evidence of customers' commitment to take service from such Order 1000 Beneficiary will be reviewed to project any expected subscriptions for increased transfer capability on such Order 1000 Beneficiary's Order 1000 Transmission System projected to result from such Order 1000 Project;
  - (d) Such Order 1000 Beneficiary shall, in consultation with Staff, project its share of increased transfer capability on any transmissions paths or flowgates determined pursuant to item (b) above and calculate such Order 1000 Beneficiary's projected increase in Available Transfer Capability ("ATC") or Available Flowgate Capability ("AFC"), as applicable, projected to result from its share of such increased transfer capability; and

- (e) Taking into account any subscriptions that are projected pursuant to item (c) above and such Order 1000 Beneficiary's projected increase, if any, in ATC or AFC projected pursuant to item (d) above, such Order 1000 Beneficiary shall, in consultation with Staff, project the amount of such projected increase in ATC or AFC that would be sold.

**6.2.2 Calculation of Order 1000 Benefits.** For purposes of calculating Order 1000 Benefits under item (i) of section 1.31 of the body of this Order 1000 Agreement,

- (i) the avoided costs of deferred transmission facilities will be the borrowing costs (*i.e.*, interest costs) projected to be avoided during the Planning Horizon as a result of the deferral of the capital investment of such deferred facilities (rather than the capital costs themselves of such facilities) plus the incremental operations and maintenance costs of such deferred facilities projected to be avoided during the Planning Horizon; and
- (ii) the avoided costs of eliminated transmission facilities during the Planning Horizon will be the portion of the projected avoided depreciation expense of such eliminated facilities that falls within the Planning Horizon plus the projected incremental operation and maintenance costs of such eliminated facilities avoided during the Planning Horizon (such projected avoided depreciation expense shall be determined using straight-line depreciation of the projected capital costs of such eliminated facilities over their depreciable lives).

For purposes of calculating Order 1000 Benefits under item (ii)(a) of section 1.31 of the body of this Order 1000 Agreement, the projected cost that each Order 1000 Beneficiary would, but for the Order 1000 Project, have otherwise incurred shall be:

- (a) the portion, falling within the Planning Horizon, of the projected depreciation expense of the transmission facilities that, in the absence of the Order 1000 Project, would have been incurred by such Order 1000 Beneficiary to achieve an increase in capacity on its Order 1000 Transmission System(s) equivalent to that resulting from such Order 1000 Project (such projected depreciation expense shall be determined using straight-line depreciation of the projected capital costs of such facilities over their depreciable lives); plus
- (b) the projected incremental operation and maintenance costs of such transmission facilities avoided by such Order 1000 Beneficiary during the Planning Horizon as a direct result of the Order 1000 Project.

Any increase in capacity of existing transmission facilities of an Order 1000 Transmission System of an Order 1000 Beneficiary identified in applying the Order 1000 Cost Allocation Methodology and that results from any Order 1000 Project shall be deemed to be owned by such Order 1000 Beneficiary unless otherwise agreed to in writing by such Order 1000 Beneficiary.

**6.3 Cost Allocation Methodology**

**6.3.1 Allocation of Projected Costs.**

For purposes of application of the Order 1000 Cost Allocation Methodology to an Order 1000 Project, ColumbiaGrid shall allocate to each Order 1000 Beneficiary of such Order 1000 Project the product of the projected costs of such Order 1000 Project if such Order 1000 Project is not an ITP (or, if such Order 1000 Project is an ITP, the Total Regional Costs from Interregional Cost Allocation of such ITP), multiplied by a fraction, the numerator of which is equal to such beneficiary’s Order 1000 Benefits and the denominator of which is equal to the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project.

Such allocation to each Order 1000 Beneficiary may be algebraically represented as follows:

Allocation to each Order 1000 Beneficiary for any Order 1000 Project that is not an ITP	=	The product of the projected costs of the Order 1000 Project x (such Order 1000 Beneficiary’s Order 1000 Benefits / (the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project))
Allocation to each Order 1000 Beneficiary for any Order 1000 Project that is an ITP	=	(The product of the Total Regional Costs from Interregional Cost Allocation of such ITP) x ((such Order 1000 Beneficiary’s Order 1000 Benefits) / (the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project))

**6.3.2 Determination and Application of Benefit to Cost Ratio.**

For purposes of application of the Order 1000 Cost Allocation Methodology to an Order 1000 Project, ColumbiaGrid shall determine the Benefit to Cost Ratio for such project, which ratio shall be equal to the quotient of the following:

- (i) the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project determined in accordance with section 6.2.2 of this Appendix A, divided by
- (ii) the projected capital costs of such Order 1000 Project if it is not an ITP or the Total Regional Costs from Interregional Cost Allocation from such ITP if such Order 1000 Project is an ITP.

Such Benefit to Cost Ratio for such Order 1000 Project may be algebraically represented as follows:

Benefit to Cost Ratio for such Order 1000 Project	=	(The sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project) / (the projected capital costs of such Order 1000 Project if it is not an ITP or the Total Regional Costs from Interregional Cost Allocation from such ITP if such Order 1000 Project is an ITP)
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If the Benefit to Cost Ratio for an Order 1000 Project determined pursuant to this section 6.3.2 is not equal to or greater than 1.25, such Order 1000 Project shall, upon such determination, no longer be an Order 1000 Project and any Order 1000 Cost Allocation for such project shall be vacated.

#### **6.4 Preliminary Cost Allocation Report and Order 1000 Cost Allocation Report**

In conjunction with Staff’s application of the Order 1000 Cost Allocation Methodology as contemplated in items (a) and (b) of the second paragraph of section 6 of this Appendix A, as applicable, Staff shall document in a draft Preliminary Cost Allocation Report the results of Staff’s determination of the Benefit to Cost Ratio and, if any, the application of the Order 1000 Cost Allocation Methodology to such Order 1000 Project, including (i) the identified Order 1000 Benefits and an explanation of such Order 1000 Benefits with respect to such Order 1000 Project, and (ii) the identified Order 1000 Beneficiaries of such Order 1000 Project.

Subject to any appropriate conditions to protect Confidential Information and CEII, Staff shall provide its draft Preliminary Cost Allocation Report with respect to such Order 1000 Project to the Order 1000 Parties, any Order 1000 Beneficiaries identified in such draft report, the Study Team that developed such Order 1000 Project, and any Interested Person who requests such report, and shall provide an opportunity for written comment for a period of 30 days following the issuance of such draft report. Staff shall evaluate any written comments and reflect them in a Preliminary Cost Allocation Report as follows:

- (a) to the extent Staff agrees with any revisions proposed by any Order 1000 Party, Order 1000 Beneficiary, Study Team participant, or Interested Person, Staff shall reflect such revisions in the Preliminary Cost Allocation Report; and
- (b) to the extent Staff disagrees with any revisions proposed by any Order 1000 Party, Order 1000 Beneficiary, Study Team participant, or Interested Person, Staff shall summarize the proposed revisions and document the reason why Staff did not

accept the proposed revisions in the Preliminary Cost Allocation Report.

After Staff has applied the Order 1000 Cost Allocation Methodology pursuant to item (a) of the second paragraph of section 6 of this Appendix A and prepared the associated Preliminary Cost Allocation Report with respect to an Order 1000 Project for which there are one or more Governmental Non-Enrolled Party(ies) included in the Preliminary Cost Allocation, ColumbiaGrid shall allow sixty days (and additional time, not to exceed 180 days, if and to the extent requested by all such Governmental Non-Enrolled Party(ies), all Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requested Order 1000 Cost Allocation for such Order 1000 Project, all Order 1000 Beneficiaries, and all other Order 1000 Affected Persons with respect to such Order 1000 Project) for all such Governmental Non-Enrolled Party(ies), Order 1000 Enrolled Party(ies) or ITP Proponent(s), all Order 1000 Beneficiaries, and all other Order 1000 Affected Persons to reach written agreement on Order 1000 Project implementation, including responsibility for the funding of such Order 1000 Project. If no such written agreement is reached pursuant to this paragraph, Staff shall apply the Order 1000 Cost Allocation Methodology pursuant to item (b) of the second paragraph of section 6 of this Appendix A.

After Staff has, if necessary, applied the Order 1000 Cost Allocation Methodology pursuant to item (b) of the second paragraph of section 6 of this Appendix A and prepared the associated Preliminary Cost Allocation Report with respect to an Order 1000 Project, ColumbiaGrid shall allow time not to exceed 180 days (if and to the extent requested by all Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requested Order 1000 Cost Allocation for such Order 1000 Project, all Order 1000 Beneficiaries, and all other Order 1000 Affected Persons with respect to such Order 1000 Project) for all Order 1000 Enrolled Party(ies) or ITP Proponent(s), all Order 1000 Beneficiaries, and all other Order 1000 Affected Persons to reach written agreement on Order 1000 Project implementation, including responsibility for the funding of such Order 1000 Project.

If a written agreement on implementation of an Order 1000 Project is reached in accordance with this section 6.4, (i) any Order 1000 Enrolled Party(ies) and Governmental Non-Enrolled Party(ies) that entered into such agreement shall promptly provide written notice of such agreement to ColumbiaGrid, (ii) the Preliminary Cost Allocation Report for such Order 1000 Project will not be included in the Draft Plan, and (iii) Staff will indicate in the Draft Plan that an agreement on implementation has been reached for such Order 1000 Project. If such an agreement on implementation of an Order 1000 Project is not reached in accordance with this section 6.4, the Staff shall include the Preliminary Cost Allocation Report (reflecting the Preliminary Cost Allocation pursuant to item (a) of the second paragraph of section 6 of this Appendix A as it may have been revised pursuant to item (b) of the second paragraph of section 6 of this Appendix A) in the Draft Plan.

The final Order 1000 Cost Allocation Report shall be the Preliminary Cost Allocation Report as approved by the Board and included in the Plan in accordance with section 11 of this Appendix A.

## **7. Order 1000 ITPs and Interregional Cost Allocation**

This section 7 sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order 1000 interregional provisions. Nothing in this section 7 will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

Any Interregional Cost Allocation regarding any ITP is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region.

### **7.1 *This section left intentionally blank***

### **7.2 Annual Interregional Information Exchange**

Annually, prior to the Annual Interregional Coordination Meeting, ColumbiaGrid shall make available by posting on the Website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in ColumbiaGrid's transmission planning region and potential solutions thereto:

- (i) study plan or underlying information that would typically be included in a study plan, such as:
  - (a) identification of base cases;
  - (b) planning study assumptions; and
  - (c) study methodologies;
- (ii) initial study reports (or system assessments); and
- (iii) regional transmission plan

(collectively referred to as "Annual Interregional Information").

ColumbiaGrid shall post its Annual Interregional Information on the Website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process ColumbiaGrid's Annual Interregional Information.

ColumbiaGrid may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

ColumbiaGrid is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by ColumbiaGrid in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided

by any other Planning Region with respect to such other Planning Region, or (iii) any information if ColumbiaGrid reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by ColumbiaGrid shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under ColumbiaGrid's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by ColumbiaGrid shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of ColumbiaGrid or any Order 1000 Party, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

### **7.3 Annual Interregional Coordination Meeting**

ColumbiaGrid shall participate in an Annual Interregional Coordination Meeting with the other Planning Regions. ColumbiaGrid shall host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31st. The Annual Interregional Coordination Meeting is to be open to stakeholders. ColumbiaGrid shall provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

- (i) each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);
- (ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more efficiently or cost effectively; and
- (iii) updates of the status of ITPs being evaluated or previously included in ColumbiaGrid's regional transmission plan.

### **7.4 ITP Joint Evaluation Process**

#### **7.4.1 Submission Requirements**

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to section 7.4.2 of this Appendix A by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31 of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's

regional transmission planning process. In addition to satisfying each Relevant Planning Region's information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

#### **7.4.2 Joint Evaluation of an ITP**

For each ITP that meets the requirements of section 7.4.1 of this Appendix A, ColumbiaGrid (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with section 7.4.1 of this Appendix A or the immediately following calendar year. With respect to any such ITP, ColumbiaGrid (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

- (i) ITP data and projected ITP costs; and
- (ii) the study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of section 7.4.1 of this Appendix A, ColumbiaGrid (if it is a Relevant Planning Region):

- (a) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect ColumbiaGrid's evaluation of the ITP;
- (b) is to provide stakeholders an opportunity to participate in ColumbiaGrid's activities under this section 7.4.2 in accordance with its regional transmission planning process;
- (c) is to notify the other Relevant Planning Regions if ColumbiaGrid determines that the ITP will not meet any of its regional transmission needs; thereafter ColumbiaGrid has no obligation under this section 7.4.2 to participate in the joint evaluation of the ITP; and
- (d) is to determine under its regional transmission planning process if such ITP is a more efficient or cost effective solution to one or more of ColumbiaGrid's regional transmission needs.

### **7.5 Interregional Cost Allocation Process**

#### **7.5.1 Submission Requirements**

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with section 7.4.1 of this Appendix A, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost

allocation from ColumbiaGrid and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

### **7.5.2 Interregional Cost Allocation Process**

For each ITP that meets the requirements of section 7.5.1 of this Appendix A, ColumbiaGrid (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

- (i) assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;
- (ii) ColumbiaGrid's regional benefits stated in dollars resulting from the ITP, if any; and
- (iii) assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to section 7.6.2 of this Appendix A below) to each Relevant Planning Region using the methodology described in this section 7.5.2.

For each ITP that meets the requirements of section 7.5.1 of this Appendix A, ColumbiaGrid (if it is a Relevant Planning Region):

- (a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect ColumbiaGrid's analysis;
- (b) is to provide stakeholders an opportunity to participate in ColumbiaGrid's activities under this section 7.5.2 in accordance with its regional transmission planning process;
- (c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in ColumbiaGrid, ColumbiaGrid shall use its regional cost allocation methodology, as applied to ITPs;
- (d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;
- (e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of

Interregional Cost Allocation; ColumbiaGrid may use such information to identify its total share of the projected costs of the ITP to be assigned to ColumbiaGrid in order to determine whether the ITP is a more efficient or cost effective solution to a transmission need in ColumbiaGrid;

- (f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and
- (g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this section 7.5.2 in the same general time frame as its joint evaluation activities pursuant to section 7.4.2 of this Appendix A.

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

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

If ColumbiaGrid (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, ColumbiaGrid shall apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under section 7.5.2(d) or 7.5.2(e) of this Appendix A above in accordance with its regional cost allocation methodology, as applied to ITPs.

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

If ColumbiaGrid (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, ColumbiaGrid shall evaluate (or reevaluate, as the case may be) pursuant to sections 7.5.2(d), 7.5.2(e), and 7.5.2(f) of this Appendix A above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of ColumbiaGrid and at least one other Relevant Planning Region, ColumbiaGrid shall apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under section 7.5.2(d) or 7.5.2(e) of this Appendix A above in accordance with its regional cost allocation methodology, as applied to ITPs.

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

This section 8 shall only apply to ITPs for which ColumbiaGrid is a Relevant Planning Region and shall not apply to any ITP for which ColumbiaGrid is not a Relevant Planning Region.

ColumbiaGrid shall provide notice of the Annual Interregional Coordination Meeting to its Interested Persons List and post notice of the Annual Interregional Coordination Meeting on the Website.

### **8.1 Order 1000 Parties That May Submit an ITP for Joint Evaluation**

Any Person that seeks to submit an ITP for joint evaluation pursuant to section 7.4 of this Appendix A or seeks to request Interregional Cost Allocation pursuant to section 7.5 of this Appendix A must either be an ITP Proponent that is a proponent of such ITP and that is Enrolled in a Relevant Planning Region (other than the Order 1000 ColumbiaGrid Planning Region) for such ITP or an Order 1000 Enrolled Party that is a proponent of such ITP.

### **8.2 Submission for Joint Evaluation**

Submission of an ITP into the ColumbiaGrid regional transmission planning process in accordance with section 7.4.1 of this Appendix A is to be accomplished as set forth in this section 8.2.

An ITP Proponent that is a proponent of an ITP and that is Enrolled in a Relevant Planning Region (other than the Order 1000 ColumbiaGrid Planning Region) for such ITP or an Order 1000 Enrolled Party that is a proponent of an ITP may seek to have such ITP evaluated in the Order 1000 ColumbiaGrid Planning Region pursuant to section 7.4.2 of this Appendix A by submitting a written request for such evaluation to ColumbiaGrid; *provided that* ColumbiaGrid shall deem such written request properly submitted to ColumbiaGrid only if, and at such time as, ColumbiaGrid receives the written request: (i) such written request specifically references section 7.4 of this Appendix A, and (ii) such written request includes a list of all other Relevant Planning Regions to which the ITP is being submitted for joint evaluation.

ColumbiaGrid shall seek to confirm with each other Relevant Planning Region that such Order 1000 Enrolled Party or ITP Proponent has submitted such ITP for evaluation into the regional transmission planning process of each other Relevant Planning Region in accordance with the regional transmission planning process of such Relevant Planning Region(s). In the event that ColumbiaGrid is unable to confirm that the Order 1000 Enrolled Party or ITP Proponent has submitted its ITP for evaluation into the regional transmission planning process of each other Relevant Planning Region in accordance with the regional transmission planning process of such Relevant Planning Region(s), ColumbiaGrid shall notify the Order 1000 Enrolled Party or ITP Proponent in writing, and the Order 1000 Enrolled Party or ITP Proponent shall have 30 days from the date of such notice to provide ColumbiaGrid evidence, reasonably acceptable to ColumbiaGrid, that the Order 1000 Enrolled Party or ITP Proponent has timely submitted its ITP for evaluation to each other Relevant Planning Region(s) as required by this section 8.2. If an Order 1000 Enrolled Party or ITP Proponent fails to provide such evidence, the

Order 1000 Enrolled Party's or ITP Proponent's ITP shall be deemed withdrawn and shall not be eligible for evaluation pursuant to section 7.4.2 of this Appendix A.

Prior to commencing the joint evaluation of an ITP pursuant to section 7.4.2 of this Appendix A, an Order 1000 Enrolled Party or ITP Proponent that is seeking such evaluation of an ITP shall submit to ColumbiaGrid information in accordance with section 2.6 of this Appendix A, which shall, to the extent permitted by law, include a copy of all ITP data being submitted by the Order 1000 Enrolled Party or ITP Proponent to any of the other Relevant Planning Regions for such ITP.

### **8.3 Joint Evaluation Implementation**

For purposes of ColumbiaGrid's evaluation of an ITP pursuant to section 7.4.2 of this Appendix A,

- (i) development of such ITP shall be through a Study Team in accordance with section 4 of this Appendix A; and
- (ii) evaluation of such ITP in the ColumbiaGrid regional transmission planning process for purposes of section 7.4.2 of this Appendix A shall be through the development and evaluation of such ITP as an Order 1000 Proposed Project through the ColumbiaGrid regional planning process under this Order 1000 Agreement.

Upon receipt of a properly submitted request for such evaluation pursuant to sections 7.4.1 and 8.2 of this Appendix A, ColumbiaGrid will convene a Study Team (or refer such ITP to an existing Study Team) for development of such ITP.

### **8.4 Interregional Cost Allocation Process**

For each ITP that meets the requirements of sections 7.5.1 and 8.2 of this Appendix A and for which Interregional Cost Allocation for such ITP has been timely requested pursuant to section 5.2 of this Appendix A, ColumbiaGrid (if and so long as it is a Relevant Planning Region) shall:

- (i) pursuant to item (c) of section 7.5.2 of this Appendix A, determine the amount, if any, of Regional Benefits for Purposes of Interregional Cost Allocation resulting from such ITP;
- (ii) pursuant to item (ii) of section 7.5.2 of this Appendix A, notify each of the other Relevant Planning Regions with respect to such ITP of the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP so determined;
- (iii) pursuant to item (d) of section 7.5.2 of this Appendix A, calculate ColumbiaGrid's assigned *pro rata* share of the projected costs of such ITP (such share is also referred to as "Assigned Regional Costs from Interregional Cost Allocation"), which share shall be

equal to the product of the projected costs of such ITP multiplied by a fraction, the numerator of which shall be the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and the denominator of which shall be the sum of (a) the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and (b) the sum of the regional benefits of each other Relevant Planning Region as calculated with respect to such ITP by such other Relevant Planning Region in accordance with its regional transmission planning process and provided to ColumbiaGrid by such other Relevant Planning Region;

- (iv) perform a preliminary determination of the Order 1000 Cost Allocation to each Order 1000 Beneficiary should such ITP be selected as an Order 1000 Project, using the methodology with respect to an ITP in section 6.3.1 of this Appendix A (using the Assigned Regional Costs from Interregional Cost Allocation of such ITP as if it were the Total Regional Costs from Interregional Cost Allocation of such ITP) (pursuant to item (e) of section 7.5.2 of this Appendix A, ColumbiaGrid shall share the above determinations with the other Relevant Planning Regions with regard to such ITP); and
- (v) if ColumbiaGrid receives information pursuant to item (e) of section 7.5.2 of this Appendix A from one or more other Relevant Planning Regions regarding what such Relevant Planning Region's regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation and what, if any, additional amount of projected project costs of such ITP its methodology would be attributable to the Order 1000 ColumbiaGrid Planning Region or any Order 1000 Enrolled Party, ColumbiaGrid may use such information to identify an additional amount of projected costs of the ITP to be assigned to ColumbiaGrid if such additional amount is properly allocable to an Order 1000 Beneficiary(ies) as an owner(s) or operator(s) of such ITP (any such additional, properly allocable, amount is also referred to as "Additional Regional Costs from Interregional Cost Allocation") (Total Regional Costs from Interregional Cost Allocation of an ITP (which will include any Additional Regional Costs from Interregional Cost Allocation) will be used in order to determine, pursuant to section 8.5 of this Appendix A, whether to select the ITP as an Order 1000 Project).

Determinations and other activities pursuant to items (iii), (iv), and (v) above may be reperformed as a result of application of section 7.6.2 of this Appendix A.

## **8.5 Determination of Whether to Select the ITP for Purposes of Interregional Cost Allocation**

For each ITP that meets the requirements of sections 7.5.1 and 8.2 of this Appendix A and for which Interregional Cost Allocation for such ITP has been timely requested by an Order 1000 Enrolled Party or ITP Proponent pursuant to sections 5.2 and 7.5.1 of this Appendix A, ColumbiaGrid (if and so long as it is a Relevant Planning Region) shall, as required by section 7.5.2(f) of this Appendix A, determine whether to select the ITP as an Order 1000 Project in accordance with section 5.3 of this Appendix A, based on its regional transmission planning process and taking into account the Total Regional Costs from Interregional Cost Allocation.

Determinations pursuant to this section 8.5 may be reperformed as a result of application of section 7.6.2 of this Appendix A.

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

For any ITP for which ColumbiaGrid is to apply its regional cost allocation methodology pursuant to section 7.6.1 or 7.6.2 of this Appendix A, ColumbiaGrid shall apply its regional cost allocation methodology (Order 1000 Cost Allocation Methodology) by determining the Order 1000 Cost Allocation to each Order 1000 Beneficiary of such ITP, using the methodology with respect to an ITP in section 6.3.1 of this Appendix A.

**9. [reserved]**

**10. [reserved]**

## **11. Process for Adoption of Plans with Respect to Order 1000 Projects and ITPs**

### **11.1 Draft Plan**

**11.1.1 Contents and Development of Draft Plan.** The Staff shall prepare a Draft Plan based upon the ColumbiaGrid transmission planning process that includes the following with respect to this Order 1000 Agreement:

- (i) Order 1000 Need Statement(s) and System Assessment Report(s) submitted by Staff to the Board and the results of any reevaluation of Order 1000 Project(s) pursuant to section 3.3 of this Appendix A;
- (ii) a list of Order 1000 Eligible Projects for which Order 1000 Cost Allocation was requested pursuant to section 5.2 of this Appendix A and, for any such project that was not selected as an Order 1000 Project, an explanation of why such project was not selected as an Order 1000 Project;

- (iii) a list of each Order 1000 Project (and its final Preliminary Cost Allocation Report) that are proposed for Board approval;
- (iv) a review of the current status of all pending Order 1000 Projects that received an Order 1000 Cost Allocation in a prior Plan or Plan Update;
- (v) a list of any ITP(s) for which joint evaluation has been requested pursuant to section 7 of this Appendix A and the status of ColumbiaGrid's performance of its portion of each such evaluation, including a description of ColumbiaGrid's determinations with regard to whether such ITP(s) will meet any Order 1000 Need(s);
- (vi) any transmission solution(s) selected and developed pursuant to section 2.5 of the body of this Order 1000 Agreement and not otherwise included in the Draft Plan; and
- (vii) other information included for informational purposes, for example, (a) any Order 1000 Needs that were included in the System Assessment Report to the extent such Order 1000 Needs are not being met in the Biennial Plan, and (b) any solution to an Order 1000 Need for which planning is still at a conceptual or preliminary stage.

In preparing the Draft Plan, the Staff shall solicit and consider the comments of Interested Persons, Order 1000 Affected Persons, and Order 1000 Parties. The Staff shall post a preliminary Draft Plan on the Website and allow an opportunity for Interested Persons to comment prior to finalizing the Draft Plan; *provided that* the Staff shall redact Confidential Information and CEII from the Draft Plan that is made public. Staff may post the comments or a summary of the comments received on the Website. The Staff shall include any redacted Confidential Information and CEII in the Draft Plan submitted to the Board. The Staff shall include the documentation as the Staff finds appropriate for purposes of Board review and action; *provided that* the documentation should be sufficient for subsequent review in an appropriate forum. The Draft Plan shall clearly identify which Order 1000 Projects (1) are ready for implementation or must be commenced in the upcoming Planning Cycle in order to have sufficient lead time for implementation, (2) have planning underway but do not require commencement in the upcoming Planning Cycle yet are ready for implementation, or (3) have planning at a conceptual or preliminary stage.

**11.1.2 Timing.** The Staff shall submit the Draft Plan for Board adoption at a time interval no greater than every two years.

## **11.2 Review Process**

The Board shall review the Draft Plan in an open, public process. In doing so, the Board shall make available the Draft Plan, study reports, Order 1000 Replication Data, and electronic data files, subject to appropriate protection of Confidential Information and CEII to all Order

1000 Parties and Interested Persons and provide the public an opportunity to supply information and provide written or oral comments to the Board. The Board may adopt additional procedures to carry out its review process.

### **11.3 Basis for Plan Adoption**

The Board shall base its review and adoption of the Plan on the technical merits of the Draft Plan, the consistency of the Order 1000 Projects listed in the Draft Plan with this Order 1000 Agreement, and considering comments and information provided during the review process.

### **11.4 Plan Adoption**

With respect to any Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), Order 1000 Project(s), and ITP(s), the Board shall review and take action regarding the Draft Plan as follows:

The Board shall review and may approve the following with respect to each Order 1000 Project: the Staff determination that it meets its underlying Order 1000 Need(s) and is consistent with the applicable solution evaluation factors, the Staff determination that it should be selected as an Order 1000 Project, and a Preliminary Cost Allocation Report. The Board shall review the documentation relating to any other alternative that was considered by the Study Team and the reason why the Staff did not select any such alternative. Those elements that are not approved by the Board shall be remanded to the Staff which may, in cooperation with the Study Team, revise the Staff determination and resubmit it to the Board; *provided that* the Board may modify any Staff determination to the extent such modification is supported by the record.

**11.4.1 Order 1000 Information.** The Board shall include in the Biennial Plan:

- (i) a list of any Order 1000 Project(s);
- (ii) an Order 1000 Cost Allocation Report for each Order 1000 Project for which all request(s) for Order 1000 Cost Allocation have not been withdrawn and for which the Benefit to Cost Ratio has been determined to be 1.25 or greater;
- (iii) a list of any ITP(s) for which joint evaluation has been requested pursuant to sections 7.4 and 8.2 of this Appendix A; and
- (iv) any determination pursuant to section 3.3 of this Appendix A of whether any Order 1000 Project (and any Order 1000 Cost Allocation associated with such Order 1000 Project) included in the then-current Plan is removed from the Plan.

**11.4.2 Other Information Included in the Draft Plan.** The Board shall include in the Biennial Plan for informational purposes all of the other content in the Draft Biennial Plan

that was provided for informational purposes unless the Board determines it has good cause not to include such content.

**11.4.3 Remands.** In the event that the Board remands an item to the Staff and a Study Team for further analysis and discussion, the Board shall identify specific questions or concerns to be answered or further researched by the Staff and Order 1000 Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team before the Board approves or confirms the matter that has been remanded.

**11.4.4 Reconsideration Process.** The Board shall develop and make available a reconsideration process that provides Persons who are materially impacted by such decision and did participate in any underlying Study Team to request within ten days that the Board reconsider a specific decision within the Board's approval. If reconsideration of a Board decision is sought by any such Person, ColumbiaGrid shall promptly convene a meeting, chaired by the ColumbiaGrid President, to which it invites the chief executive officer or equivalent executive of all Order 1000 Affected Persons to determine whether they can reach agreement on the disputed decision. If agreement is not reached, the Board shall pursue the reconsideration process. The reconsideration process will provide for input from all involved Persons (including Order 1000 Parties) and Staff, and the Board will make its reconsidered decision known within 90 days from the date of the request. If, upon reconsideration, the Board modifies its decision, the modification shall also be subject to a petition for reconsideration.

**CLEAN FILING VERSION OF COLUMBIAGRID  
SECOND AMENDED AND RESTATED  
ORDER 1000 FUNCTIONAL AGREEMENT**

**COLUMBIAGRID**

**SECOND AMENDED AND RESTATED ORDER 1000 FUNCTIONAL AGREEMENT**

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## COLUMBIAGRID

### SECOND AMENDED AND RESTATED ORDER 1000 FUNCTIONAL AGREEMENT

This Second Amended and Restated Order 1000 Functional Agreement (“Order 1000 Agreement”) is entered into as of June 12, 2015, by and among ColumbiaGrid, a Washington non-profit corporation, and Avista Corporation, Puget Sound Energy, Inc., and MATL LLP.

#### RECITALS

A. ColumbiaGrid facilitates multi-system transmission planning on behalf of Planning Parties pursuant to the Planning and Expansion Functional Agreement (filed in Commission Docket No. ER07-523), as amended by the amendment filed in Commission Docket No. ER08-457 and as amended by the amendment filed in Commission Docket No. ER10-585, and as may be amended hereafter from time to time (“PEFA”);

B. ColumbiaGrid is to facilitate, in accordance with this Order 1000 Agreement, the performance of certain transmission planning processes pursuant to Order 1000 on behalf of the Order 1000 Enrolled Parties and ITP Proponents;

C. ColumbiaGrid is also to facilitate, in accordance with this Order 1000 Agreement, the performance of certain regional transmission planning processes on behalf of Governmental Non-Enrolled Parties;

D. As of December 17, 2013, ColumbiaGrid, Avista Corporation, Puget Sound Energy, Inc., and MATL LLP entered into an “Order 1000 Functional Agreement” (sometimes referred to in this Order 1000 Agreement as the “2013 Order 1000 Functional Agreement”);

E. As of November 16, 2014, ColumbiaGrid, Avista Corporation, Puget Sound Energy, Inc., and MATL LLP entered into a First Amended and Restated Order 1000 Functional Agreement (sometimes referred to in this Order 1000 Agreement as the “2014 Order 1000 Functional Agreement”), which upon the “Effective Date” specified therein superseded and replaced in its entirety the 2013 Order 1000 Functional Agreement; and

F. As of June 12, 2015, ColumbiaGrid, Avista Corporation, Puget Sound Energy, Inc., and MATL LLP entered into this Second Amended and Restated Order 1000 Functional Agreement (“Order 1000 Agreement”), which upon the Effective Date supersedes and replaces in their entirety the 2013 Order 1000 Functional Agreement and the 2014 Order 1000 Functional Agreement.

#### 1. Definitions

1.1 “Additional Regional Costs from Interregional Cost Allocation” shall have the meaning set forth in item (v) of section 8.4 of Appendix A.

1.2 [Reserved]

1.3 “Agreement Limiting Liability Among Western Interconnected Systems” or “WIS Agreement” means at any time the Agreement Limiting Liability Among Western Interconnected Systems as it may have then been amended.

1.4 “Annual Interregional Coordination Meeting” shall have the meaning set forth in section 7.3 of Appendix A.

1.5 “Annual Interregional Information” shall have the meaning set forth in section 7.2 of Appendix A.

1.6 “Assigned Regional Costs from Interregional Cost Allocation” means, with respect to an ITP, ColumbiaGrid’s assigned *pro rata* share of the projected costs of such ITP calculated pursuant to item (d) of section 7.5.2 of Appendix A and item (iii) of section 8.4 of Appendix A. Assigned Regional Costs from Interregional Cost Allocation may be recalculated as a result of application of sections 5.2 or 7.6.2 of Appendix A.

1.7 “Benefit to Cost Ratio” means the ratio as may be determined pursuant to section 6.3.2 of Appendix A.

1.8 “Biennial Plan” means each biennial transmission plan adopted by the Board pursuant to section 2 of this Order 1000 Agreement. A “Draft Biennial Plan” refers to a draft of a Biennial Plan presented by Staff to the Board for adoption pursuant to section 2 of this Order 1000 Agreement but not yet adopted by the Board.

1.9 “Board of Directors” or “Board” means the Board of Directors of ColumbiaGrid.

1.10 “Bylaws” means the then-current bylaws of ColumbiaGrid.

1.11 “Claims Committee” means a committee established pursuant to section 8.4.2 of this Order 1000 Agreement upon the receipt of a claim or prior to such time.

1.12 “ColumbiaGrid Planning Region” means the transmission systems that Planning Parties own or operate, or propose to own or operate, in the Regional Interconnected Systems.

1.13 “Commission” means the Federal Energy Regulatory Commission or any successor entity.

1.14 “Confidential Information” means: all information, regardless of the manner in which it is furnished, marked as “Confidential Information” at the time of its furnishing; *provided that* Confidential Information shall not include information: (i) in the public domain or generally available or known to the public; (ii) disclosed to a recipient by a Third Person who had a legal right to do so; (iii) independently developed by the receiving party or known to such party prior to its disclosure under this Order 1000 Agreement; (iv) normally disclosed by entities in the Western Interconnection without limitation; (v) disclosed in aggregate form; or (vi) required to be disclosed without a protective order or confidentiality agreement by subpoena, law, or other directive of a court, administrative agency, or arbitration panel.

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

1.16 “Effective Date” shall have the meaning set forth in section 12 of this Order 1000 Agreement.

1.17 “Electric System” shall have the meaning given for the words “electric system” in the WIS Agreement and means (i) electric distribution facilities or (ii) generation facilities or (iii) transmission facilities, or any combination of the three, and includes transmission lines, distribution lines, substations, switching stations, generating plants, and all associated equipment for generating, transmitting, distributing, or controlling flow of power. The Electric System of a Person includes the facilities of another entity operated or controlled by such Person. Electric System includes any devices or equipment (a) by which information is originated on an electric system or by the Person operating such system, (b) by which such information is transmitted, and (c) by which such information is received either for information or for operation of a system, whether by the originating system or by another system.

1.18 “Enrolled” refers to a Person’s status as enrolled in an Order 1000 Planning Region, such that such Person is subject to such Order 1000 Planning Region’s planning processes (including cost allocations) in accordance with the requirements of Order 1000 as implemented by such Order 1000 Planning Region. A Person is Enrolled in the Order 1000 ColumbiaGrid Planning Region if and at such times as

- (i) such Person is an Order 1000 Party in accordance with the provisions of this Order 1000 Agreement and has not withdrawn (and has not been deemed to have withdrawn) from this Order 1000 Agreement pursuant to section 13 of this Order 1000 Agreement; and
- (ii) such Person is neither a Governmental Non-Enrolled Party nor an ITP Proponent.

Any Order 1000 Enrolled Party is expressly Enrolled in the Order 1000 ColumbiaGrid Planning Region and is to be listed as Enrolled in the Order 1000 ColumbiaGrid Planning Region in each Order 1000 Enrolled Party’s open access transmission tariff. Any Governmental Non-Enrolled Party and any ITP Proponent is not Enrolled in the Order 1000 ColumbiaGrid Planning Region.

1.19 “Governmental Non-Enrolled Party” means any Order 1000 Party that (i) is within the definition of 16 U.S.C. § 824(f) (and hence is not a “public utility” under Part II of the Federal Power Act), (ii) is a Planning Party, and (iii) has elected pursuant to section 14.17 of this Order 1000 Agreement to be a Governmental Non-Enrolled Party.

1.20 “Governmental Non-Enrolled Party Non-Transmission Alternative” means an alternative that does not involve the construction of transmission facilities and that ColumbiaGrid has determined would result in the elimination or deferral of a transmission need of a Governmental Non-Enrolled Party by modifying the loads or resources reflected in the system assessments. Examples of such alternatives that may constitute Governmental Non-Enrolled Party Non-Transmission Alternatives may include demand-side load reduction

programs, peak-shaving projects, and distributed generation. The following examples are specifically excluded from Governmental Non-Enrolled Party Non-Transmission Alternatives: remedial action schemes, shunt capacitors, and reconductoring.

1.21 “Incremental Costs” shall have the meaning set forth in section 3.3 of this Order 1000 Agreement.

1.22 “Interested Person” means any Person who has expressed an interest in the business of ColumbiaGrid and has requested notice of its public meetings. Such Interested Persons will be identified on the “Interested Persons List” compiled by ColumbiaGrid in accordance with Section 4.2 of the Bylaws. For purposes of section 7 of Appendix A, Interested Persons are referred to as stakeholders.

1.23 “Interregional Cost Allocation” means the assignment of ITP costs between or among Relevant Planning Regions as described in section 7.5.2 of Appendix A.

1.24 “Interregional Transmission Project” or “ITP” means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Order 1000 Planning Regions and that is submitted into the regional transmission planning processes of all such Order 1000 Planning Regions in accordance with section 7.4.1 of Appendix A.

1.25 “Interregional Transmission Project Proponent” or “ITP Proponent” means an Order 1000 Party that (i) has pursuant to section 14.17 of this Order 1000 Agreement indicated that it is an ITP Proponent, (ii) is not Enrolled in the Order 1000 ColumbiaGrid Planning Region, and (iii) is Enrolled in an Order 1000 Planning Region (other than the Order 1000 ColumbiaGrid Planning Region).

For purposes of section 7 of Appendix A, a proponent of an ITP that is either an ITP Proponent or an Order 1000 Enrolled Party is referred to as a proponent of an ITP.

1.26 “Local Transmission Plan” means, with respect to an Order 1000 Party, a plan that identifies planned new transmission facilities and facility replacements or upgrades for such Order 1000 Party’s transmission system.

1.27 “Order 1000” means the Commission’s Order No. 1000 (*Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, 136 FERC ¶ 61,051 (2011), *order on rehearing and clarification*, 139 FERC ¶ 61,132 (2012), *order on rehearing and clarification*, 141 FERC ¶ 61,044 (2012), *affirmed sub nom. S. C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014)), as it may be amended, supplemented, or superseded from time to time.

1.28 “Order 1000 Affected Persons” means, with respect to an ITP, Order 1000 Project, Order 1000 Eligible Project or Order 1000 Proposed Project, those Order 1000 Parties and other Persons that would bear Order 1000 Material Adverse Impacts from such project or are otherwise materially affected thereby.

1.29 “Order 1000 Agreement” means this Order 1000 Functional Agreement, including Appendix A attached hereto.

1.30 “Order 1000 Beneficiary” means, with respect to an Order 1000 Project, any Order 1000 Enrolled Party that is identified in an Order 1000 Cost Allocation Report as an Order 1000 Beneficiary that would receive Order 1000 Benefits as a direct result of such Order 1000 Project. Solely for purposes of any Preliminary Cost Allocation performed pursuant to item (a) of the second paragraph of section 6 of Appendix A, any Governmental Non-Enrolled Party shall be deemed to be an Order 1000 Beneficiary, in accordance with section 1.31.

1.31 “Order 1000 Benefits” means, with respect to an Order 1000 Project and as more fully described in section 6.2.2 of Appendix A, the Order 1000 Benefits of any Order 1000 Beneficiary, which shall be equal to the sum of:

- (i) the projected costs that such Order 1000 Beneficiary is projected to avoid over the Planning Horizon due to elimination or deferral, as a direct result of such Order 1000 Project, of planned additions of transmission facilities in the Order 1000 ColumbiaGrid Planning Region, plus;
- (ii) if and to the extent not reflected in item (i) above, the value that such Order 1000 Beneficiary is projected to realize on its Order 1000 Transmission System over the Planning Horizon, as a direct result of such Order 1000 Project, where such value is equal to the lesser of:
  - (a) the projected costs (excluding any projected costs included in item (i) above) that such Order 1000 Beneficiary would, but for such Order 1000 Project, have otherwise incurred over the Planning Horizon to achieve an increase in capacity on its Order 1000 Transmission System equivalent to that resulting from such Order 1000 Project; or
  - (b) the projected changes in revenues based on cost-based transmission rates over the Planning Horizon to such Order 1000 Beneficiary directly resulting from such Order 1000 Project or such Order 1000 Project’s elimination or deferral of planned transmission facilities, which projected changes in revenues shall be based on projected changes of usage of such Order 1000 Beneficiary’s Order 1000 Transmission System that are projected, using a robust economic analysis (including production cost, power flow, and stability analyses and evaluation of transmission queues, as described in section 6.2.1 of Appendix A) and are repeatable over a wide range of reasonable assumptions, to result over the Planning Horizon from the projected changes in capacity on such Order 1000 Beneficiary’s

Order 1000 Transmission System resulting from such Order 1000 Project or such Order 1000 Project's elimination or deferral of planned transmission facilities.

Solely for purposes of any Preliminary Cost Allocation performed pursuant to item (a) of the second paragraph of section 6 of Appendix A, (a) Order 1000 Benefits shall be deemed to include benefits calculated, pursuant to this section 1.31 and section 6.2.2 of Appendix A, for each Governmental Non-Enrolled Party as if it were an Order 1000 Enrolled Party, and (b) each such Governmental Non-Enrolled Party shall be deemed to be the Order 1000 Beneficiary with respect to the benefits, if any, so calculated for it.

1.32 “Order 1000 ColumbiaGrid Planning Region” means the Order 1000 Transmission Systems of Order 1000 Enrolled Parties.

1.33 “Order 1000 Cost Allocation” means an allocation, using the Order 1000 Cost Allocation Methodology, pursuant to item (b) of the second paragraph of section 6 of Appendix A, of projected costs of an Order 1000 Project among one or more Order 1000 Beneficiaries with respect to such Order 1000 Project that is approved by the Board pursuant to section 11.4 of Appendix A. An Order 1000 Cost Allocation with respect to an Order 1000 Project is approved by the Board if and on such date as the Board approves such Order 1000 Project and Order 1000 Cost Allocation for inclusion in a Plan pursuant to section 11.4.

1.34 “Order 1000 Cost Allocation Methodology” means the cost allocation methodology set out in section 6.3 of Appendix A.

1.35 “Order 1000 Cost Allocation Report” means the report with respect to an Order 1000 Cost Allocation prepared by Staff and approved by the Board and included in the Plan in accordance with sections 6.4 and 11.4 of Appendix A.

1.36 “Order 1000 Eligible Project” means an Order 1000 Proposed Project that is identified as described in section 5.1 of Appendix A as an Order 1000 Eligible Project.

1.37 “Order 1000 Enrolled Party” means any Order 1000 Party (whether incumbent or nonincumbent) that

- (i) is an Order 1000 Enrolled Party pursuant to section 14.17 of this Order 1000 Agreement; and
- (ii) has not withdrawn (and has not been deemed to have withdrawn) from this Order 1000 Agreement pursuant to section 13 of this Order 1000 Agreement.

For the avoidance of doubt, specifically excluded from being an Order 1000 Enrolled Party are (a) any Person that is Enrolled in any Order 1000 Planning Region in the RIS other than the Order 1000 ColumbiaGrid Planning Region, (b) any Person that has elected pursuant to section 14.17 of this Order 1000 Agreement to be a Governmental Non-Enrolled Party, and (c) any Person that is pursuant to section 14.17 of this Order 1000 Agreement an ITP Proponent; *provided that* an Order 1000 Non-Incumbent Transmission Developer may be Enrolled in the

Order 1000 ColumbiaGrid Planning Region with respect to the proposed transmission facilities of such Non-Incumbent Transmission Developer in the Order 1000 ColumbiaGrid Planning Region identified pursuant to section 14.17 of this Order 1000 Agreement and also Enrolled in another Order 1000 Planning Region.

1.38 “Order 1000 Material Adverse Impacts” means, with respect to any solution to an Order 1000 Need (or other transmission need for which a solution is identified under this Order 1000 Agreement) a reduction of transmission capacity on a transmission system (or other adverse impact on such transmission system that is generally considered in transmission planning in the Western Interconnection) due to such solution that is material, that would result from such solution, and that is unacceptable to the Person that owns or operates such transmission system. For purposes of this Order 1000 Agreement, Order 1000 Material Adverse Impacts are considered mitigated if there would not be any Order 1000 Material Adverse Impacts due to such solution.

1.39 “Order 1000 Merchant Transmission Project” means existing or planned transmission facilities for which the costs are recovered or intended to be recovered through negotiated rates and are therefore not eligible for Order 1000 Cost Allocation.

1.40 “Order 1000 Need” means any need for transmission facilities, as identified in a System Assessment Report pursuant to section 3 of Appendix A, in the Order 1000 ColumbiaGrid Planning Region, including any such need that is driven by reliability requirements, addresses economic considerations, or is driven by Public Policy Requirements. “Order 1000 Potential Need” is an item that is proposed or considered for inclusion in the system assessment for possible identification in the System Assessment Report as an Order 1000 Need. For purposes of section 7 of Appendix A, an Order 1000 Need in the Order 1000 ColumbiaGrid Planning Region is referred to as a regional transmission need.

1.41 “Order 1000 Need Statement” means, with respect to an Order 1000 Need, a statement developed by Staff pursuant to section 3 of Appendix A and included for informational purposes in a Plan. A “Draft Order 1000 Need Statement” means a proposal for an Order 1000 Need Statement as described in section 3 of Appendix A.

1.42 “Order 1000 Needs Factors” shall have the meaning set forth in section 2.2 of Appendix A.

1.43 “Order 1000 Needs Meeting” means the annual meeting provided for in section 3.1 of Appendix A to discuss Order 1000 Potential Needs that should be included in the upcoming system assessment.

1.44 “Order 1000 Non-Incumbent Transmission Developer” means, with respect to transmission facilities proposed by an Order 1000 Enrolled Party, such Order 1000 Enrolled Party if such proposed transmission facilities are in the Order 1000 ColumbiaGrid Planning Region and either

- (i) such Order 1000 Enrolled Party proposes to, but does not currently, own or operate transmission facilities in the Order 1000 ColumbiaGrid Planning Region and does not have a retail

distribution service territory or footprint in the Order 1000 ColumbiaGrid Planning Region; or

- (ii) such Order 1000 Enrolled Party proposes to, but does not currently, own or operate transmission facilities in the Order 1000 ColumbiaGrid Planning Region and such proposed transmission facilities are outside any retail distribution service territory or footprint of such Order 1000 Enrolled Party.

1.45 “Order 1000 Non-Transmission Alternative” means an alternative that does not involve the construction of transmission facilities and that ColumbiaGrid has determined would result in the elimination or deferral of an Order 1000 Need of an Order 1000 Enrolled Party by modifying the loads or resources reflected in the system assessments. Examples of such alternatives that may constitute Order 1000 Non-Transmission Alternatives may include demand-side load reduction programs, peak-shaving projects, and distributed generation. The following examples are specifically excluded from Order 1000 Non-Transmission Alternatives: remedial action schemes, shunt capacitors, and reconductoring.

1.46 “Order 1000 Party” means each signatory, other than ColumbiaGrid, to this Order 1000 Agreement.

1.47 “Order 1000 Planning Criteria” means the then-current planning standards that ColumbiaGrid shall apply, as provided in section 2.1 of Appendix A, in any system assessment, System Assessment Report, or Order 1000 Need Statement, with respect to Order 1000 Need(s), Interregional Transmission Project(s), Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), and Order 1000 Projects.

1.48 “Order 1000 Planning Region” means each of the following Order 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, Order 1000 ColumbiaGrid Planning Region, Northern Tier Transmission Group, and WestConnect. For purposes of section 7 of Appendix A, Order 1000 Planning Region is referred to as a Planning Region.

1.49 [Reserved]

1.50 “Order 1000 Project” means any Order 1000 Eligible Project, if and for so long as: (i) it has been selected as an Order 1000 Project in accordance with section 5.3 of Appendix A; (ii) all Order 1000 Enrolled Parties and ITP Proponents that timely requested Order 1000 Cost Allocation for such project have not withdrawn such requests in accordance with section 5.2 of Appendix A (whether such withdrawal(s) is before or after inclusion of such project in a Plan); (iii) the Benefit to Cost Ratio for such project has not been determined pursuant to section 6.3.2 of Appendix A to be less than 1.25; (iv) an agreement on implementation of such project is not reached in accordance with section 5.4 of Appendix A or section 6.4 of Appendix A; and (v) such project has not been removed from a Plan as an Order 1000 Project pursuant to sections 3.3 and 11.4.1 of Appendix A.

For purposes of the cost allocation provisions of this Order 1000 Agreement, transmission facilities of an ITP may be deemed to be an Order 1000 Project notwithstanding the

fact that the selection of an ITP as an Order 1000 Project under this Order 1000 Agreement occurs after cost allocation calculations have been performed with respect to such ITP.

1.51 “Order 1000 Proposed Project” means proposed transmission facilities that

- (i) are in the Order 1000 ColumbiaGrid Planning Region; or
- (ii) are an ITP

that are included in a plan of service developed by a Study Team and that address an Order 1000 Need(s). Proposed transmission facilities in a plan of service that are not an ITP and that would directly interconnect electrically with existing or planned transmission facilities that are not in the Order 1000 ColumbiaGrid Planning Region are specifically excluded from being an Order 1000 Proposed Project. Order 1000 Proposed Project specifically excludes any Order 1000 Merchant Transmission Project.

1.52 “Order 1000 Proposed Staff Solution” shall have the meaning set forth in section 4.4 of Appendix A.

1.53 “Order 1000 Replication Data” means basic criteria, assumptions, and data necessary to replicate the results of ColumbiaGrid’s planning studies performed pursuant to this Order 1000 Agreement with respect to any Order 1000 Potential Need, Order 1000 Need, Order 1000 Proposed Project, Order 1000 Eligible Project, Order 1000 Project, or ITP.

1.54 “Order 1000 Transmission System” means

- (i) the existing or proposed transmission facilities in the Regional Interconnected Systems of any Order 1000 Enrolled Party that is a Planning Party; and
- (ii) the proposed transmission facilities in the Regional Interconnected Systems of any Order 1000 Enrolled Party that is an Order 1000 Non-Incumbent Transmission Developer with respect to such proposed transmission facilities;

*provided that* Order 1000 Transmission System specifically excludes any existing or proposed transmission facilities in any Order 1000 Planning Region other than the Order 1000 ColumbiaGrid Planning Region.

1.55 “Pacific Northwest” means (i) the sub region within the Western Interconnection comprised of Alberta, British Columbia, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming; and (ii) any portions of the area defined in 16 U.S.C. § 839a(14) that are not otherwise included in (i).

1.56 “Party” means a signatory to the PEFA.

1.57 “PEFA” shall have the meaning set forth in Recital A of this Order 1000 Agreement.

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

1.59 “Plan” means at any time the then-current Biennial Plan, as then revised by any Plan Updates. A “Draft Plan” refers to a Draft Biennial Plan or a Draft Plan Update. For purposes of section 7 of Appendix A, a Plan in the Order 1000 ColumbiaGrid Planning Region is referred to as a regional transmission plan.

1.60 “Plan Update” means an update to the then-current Plan adopted by the Board pursuant to section 2.4 of this Order 1000 Agreement. A “Draft Plan Update” means a plan update presented by Staff to the Board for adoption but not yet adopted by the Board.

1.61 “Planning Cycle” means a period of approximately 24 months during which a Draft Biennial Plan is to be prepared and presented to the Board for adoption and during which a Biennial Plan is to be subsequently adopted by the Board.

1.62 “Planning Horizon” means, with respect to any Biennial Plan (or Plan Update), the period for which the system assessment for such Biennial Plan (or Plan Update) is made, which period shall be the longer of (i) ten years or (ii) the planning period required by the Commission in its pro forma open access transmission tariff, as it may be amended from time to time.

1.63 “Planning Party” means each Party to the PEFA other than ColumbiaGrid. ColumbiaGrid shall maintain a list of the Planning Parties on the Website.

1.64 “Preliminary Cost Allocation” means a cost allocation pursuant to section 6 of Appendix A that has not been approved by the Board pursuant to section 11.4 of Appendix A.

1.65 “Preliminary Cost Allocation Report” means, with respect to an Order 1000 Project, the Staff’s preliminary cost allocation report prepared in accordance with section 6.4 of Appendix A.

1.66 “Public Policy Requirements” means enacted statutes (*i.e.*, passed by the legislature and signed by the executive) and regulations promulgated by a relevant jurisdiction, whether within a state or at the federal level.

1.67 “Regional Benefits for Purposes of Interregional Cost Allocation” means, with respect to an ITP, an amount equal to the sum of the aggregate Order 1000 Benefits calculated in accordance with the provisions of section 1.31 of this Order 1000 Agreement for any Order 1000 Beneficiary(ies) of such ITP. For purposes of items (ii) and (c) of section 7.5.2 of Appendix A, Regional Benefits for Purposes of Interregional Cost Allocation is referred to as ColumbiaGrid’s regional benefits stated in dollars resulting from the ITP.

1.68 “Regional Interconnected Systems” or “RIS” means the transmission systems in the Pacific Northwest.

1.69 “Relevant Planning Regions” means, with respect to an ITP, the Order 1000 Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with section 7.4.2 of Appendix A, at which time it shall no longer be considered a Relevant Planning Region.

1.70 “Relevant State or Provincial Agency” means any State or Provincial agency with authority over energy regulation, transmission, or planning that has expressed an interest in the ColumbiaGrid transmission planning processes and has requested to be included on the Interested Persons List. For example, these may include the Washington Utilities and Transportation Commission, Idaho Public Utilities Commission, Oregon Public Utility Commission, Washington Department of Commerce (specifically the Energy Office within that department), Washington Energy Facility Site Evaluation Council, and the appointees to the Northwest Power and Conservation Council. If requested by a governor in the Pacific Northwest, Relevant State and Provincial Agency may also include a representative from such governor’s office. For the purposes of this Order 1000 Agreement, the term also includes any successor to these agencies.

1.71 “Staff” means the ColumbiaGrid staff, officers, or consultants hired or retained by ColumbiaGrid to perform the Staff’s responsibilities under this Order 1000 Agreement. The activities of Staff under this Order 1000 Agreement will be performed under the supervision and guidance of the ColumbiaGrid Board.

1.72 “Study Team” with respect to an Order 1000 Proposed Project being developed means a team that is comprised of ColumbiaGrid and the following that choose to participate in such team: (i) any Order 1000 Parties, (ii) any Order 1000 Affected Persons identified with respect to such project, and (iii) any Interested Persons; *provided that* participation in a Study Team may be subject to restrictions in tariffs (*see, e.g.*, pro forma open access transmission tariff, sections 17.2 and 18.2) or applicable law to protect Confidential Information or CEII.

1.73 “System Assessment Report” means each system assessment report developed by Staff pursuant to section 3 of Appendix A. “Draft System Assessment Report” means a draft System Assessment Report as described in section 3 of Appendix A. “Final System Assessment Report” has the meaning described in section 3.5 of Appendix A.

1.74 “Third Person” means any Person other than either ColumbiaGrid or any Order 1000 Party.

1.75 “Total Regional Costs from Interregional Cost Allocation” means, with respect to an ITP, the sum of the Assigned Regional Costs from Interregional Cost Allocation of such ITP plus any Additional Regional Costs from Interregional Cost Allocation of such ITP. Total Regional Costs from Interregional Cost Allocation may be recalculated as a result of application of section 7.6.2 of Appendix A.

1.76 “Transmission Owner or Operator Planning Party” or “TOPP” means a Party to the PEFA (exclusive of ColumbiaGrid) that, pursuant to the PEFA is, or proposes to be, a developer or an owner or operator of transmission facilities in the Pacific Northwest.

1.77 “Uncontrollable Force” means any act or event that delays or prevents an Order 1000 Party or ColumbiaGrid from timely performing obligations under this Order 1000 Agreement, including an act of God, strike, lock-out, labor dispute, labor disturbance, act of the public enemy, act of terrorism, war, insurrection, riot, fire, storm or flood, earthquake, explosion, accident to or breakage, failure or malfunction of machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities (other than, as to its own performance, by such Order 1000 Party that is a federal power marketing administration, municipal corporation or other federal, tribal or state governmental entity or subdivision thereof), or any other cause beyond an Order 1000 Party’s or ColumbiaGrid’s reasonable control and to the extent without such Order 1000 Party’s or ColumbiaGrid’s fault or negligence. Economic hardship shall not constitute an Uncontrollable Force under this Order 1000 Agreement.

1.78 “Website” means the website maintained by ColumbiaGrid at [www.columbiagrid.org](http://www.columbiagrid.org).

1.79 “Western Electricity Coordinating Council” or “WECC” means the Western Electricity Coordinating Council or any successor entity.

1.80 “Willful Action” means an action taken or not taken by an Order 1000 Party or ColumbiaGrid, which action is knowingly or intentionally taken or failed to be taken, with intent that injury or damage would result therefrom or which action is wantonly reckless. Willful Action does not include any act or failure to act which is involuntary, accidental, negligent, or grossly negligent.

## **2. Transmission Planning Processes**

### **2.1 Relationship to the PEFA**

This Order 1000 Agreement is based on the transmission planning processes in the PEFA and provides additional terms and processes necessary for ColumbiaGrid to facilitate the performance of certain transmission planning processes on behalf of Governmental Non-Enrolled Parties and, pursuant to Order 1000, on behalf of Order 1000 Enrolled Parties and ITP Proponents. Order 1000 Enrolled Parties and ITP Proponents shall, as applicable, participate, with respect to Order 1000 Potential Needs, Order 1000 Need(s), Interregional Transmission Project(s), Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), and Order 1000 Projects, in ColumbiaGrid transmission planning processes in accordance with this Order 1000 Agreement. In the event of a conflict between any provision of this Order 1000 Agreement and any provision of the PEFA, the provisions of this Order 1000 Agreement shall prevail with respect to the rights and obligations as between and among ColumbiaGrid and Order 1000 Parties.

The transmission planning processes under this Order 1000 Agreement are intended to supplement the transmission planning processes under the PEFA. The transmission planning

processes under this Order 1000 Agreement shall, to the extent practicable, utilize the same transmission planning processes that are used under the PEFA. The performance of system assessments and preparation of Biennial Plans pursuant to this Order 1000 Agreement are intended to be accomplished in conjunction with the performance of the system assessments and preparation of the Biennial Plans under the PEFA. Nothing in this Order 1000 Agreement shall obligate ColumbiaGrid to prepare a Biennial Plan separate from the Biennial Plan prepared under the PEFA and nothing in this Order 1000 Agreement shall obligate ColumbiaGrid to prepare a system assessment separate from the system assessment prepared under the PEFA; *provided that* that the requirements of this Order 1000 Agreement are satisfied.

## **2.2 Provisions of the PEFA Applicable to Order 1000 Parties Not Party to the PEFA**

For purposes of this Order 1000 Agreement, each Order 1000 Party that is not a Party to the PEFA shall comply with the provisions of the PEFA (except as otherwise provided in this section 2.2), including the following sections of the PEFA, as though such Order 1000 Party is a Planning Party and Transmission Owner or Operator Planning Party:

- Section 1—Definitions
- Section 2—Biennial Transmission Plans and Updates
- Section 3—Plan Methodology
- Section 4—ColumbiaGrid Transmission Planning Process Requirements
- Section 11—Authorization for ColumbiaGrid to Perform Obligations Under This Agreement
- Section 12—Limitations of Liability Among Planning Parties
- Section 13.3—First Party Claims
- Section 13.5—Inaccurate or Incomplete Data or Information
- Section 13.6—Limitation of Damages
- Section 14—Uncontrollable Force
- Section 16—Confidentiality Obligations
- Section 19.3—Construction of Agreement
- Section 19.6—Governing Law
- Section 19.8—Singular and Plural; Use of “Or”
- Section 19.9—Headings for Convenience Only
- Section 19.10—Relationship of the Parties
- Section 19.11—No Third Person Beneficiaries
- Section 19.12—No Dedication of Facilities
- Section 19.13—Nonwaiver
- Appendix A (except as provided below)—Transmission Planning Process

Notwithstanding the foregoing, the following provisions of the PEFA are specifically not applicable under this Order 1000 Agreement to any Order 1000 Party and shall not constitute obligations under this Order 1000 Agreement of ColumbiaGrid or any Order 1000 Party:

- Section 5—Commitment to Move to Common Queue and Explore Other Improvements
- Section 6—Offer and Execution of Facilities Agreements; Other Agreements

- Section 7—Regional and Interregional Transmission Coordination
- Section 8—Payment
- Section 9—Budgets
- Section 13.4—Third Person Claims
- Section 15—Assignments and Conveyances
- Section 17—Effective Date
- Section 18—Withdrawal
- Section 19—Miscellaneous, except as specifically included above
- Appendix B—Facilities Agreement

In addition to the provisions listed above, the provisions of the PEFA that provide for any cost allocation, including, but not limited to, any such provisions in sections 5.4, 6.4, 8.4, and 9.4 of Appendix A of the PEFA, are not applicable under this Order 1000 Agreement to any Order 1000 Party that is not a Party to the PEFA and shall not constitute obligations of ColumbiaGrid or any Order 1000 Party under this Order 1000 Agreement.

Each Order 1000 Party acknowledges and agrees that, by ColumbiaGrid and the Order 1000 Parties entering into and performing this Order 1000 Agreement, no Order 1000 Party becomes Party to, or third-party beneficiary under, the PEFA.

### **2.3 Draft Biennial Plans and Biennial Plans**

Each Planning Cycle, ColumbiaGrid shall develop and review a Draft Biennial Plan and shall adopt, by majority vote of the Board, a Biennial Plan. Each Draft Biennial Plan shall include the information with respect to any ITP(s), Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), and Order 1000 Project(s) as described in sections 11.1 and 11.4 of Appendix A, as applicable.

### **2.4 Adoption of Plan Updates**

If at any time ColumbiaGrid determines that changes in conditions make a Plan Update appropriate with respect to any Order 1000 Need, ITP, Order 1000 Proposed Project, Order 1000 Eligible Project, or Order 1000 Project, prior to the adoption of the next Biennial Plan in order for there to be sufficient lead time for implementation, Staff shall develop and the Board shall consider for adoption, a Plan Update of the then-current Plan to address such conditions. Any Plan Update shall to the extent practicable be based on the then-most-current assumptions and conditions. After adoption of a Biennial Plan or Plan Update, ColumbiaGrid shall provide all Study Team participants with a copy thereof, and post such Biennial Plan or Plan Update on the Website.

### **2.5 Plan Methodology**

In developing each Plan, ColumbiaGrid will conduct the following activities consistent with this Order 1000 Agreement and endeavor to:

- (i) after consideration of the data and comments supplied by Order 1000 Parties, customers of Order 1000 Parties, and other Interested Persons and

stakeholders, develop a Plan that addresses Order 1000 Needs (and transmission needs of any Governmental Non-Enrolled Party identified pursuant to section 2.6 of this Order 1000 Agreement), including those reflecting the specific service requests of transmission customers and that otherwise treats similarly-situated customers (*e.g.*, network and retail native load) comparably in the ColumbiaGrid regional transmission planning process;

- (ii) facilitate analysis of solutions to Order 1000 Needs (and transmission needs of Governmental Non-Enrolled Parties identified pursuant to section 2.6 of this Order 1000 Agreement) as if a single utility owned all relevant generating, transmission, and distribution facilities to enhance efficiency and reduce duplication of facilities, environmental impacts, and costs;
- (iii) perform a system assessment of RIS facilities, taking into account the input of Order 1000 Parties and Interested Persons with respect to Order 1000 Potential Needs, including Order 1000 Potential Needs (and potential transmission needs of any Governmental Non-Enrolled Party to be identified pursuant to section 2.6 of this Order 1000 Agreement) driven by a Public Policy Requirement, reliability, or economic considerations;
- (iv) through the system assessment, identify Order 1000 Needs (and transmission needs of any Governmental Non-Enrolled Party identified pursuant to section 2.6 of this Order 1000 Agreement) for which potential solutions should be identified and evaluated;
- (v) task Study Teams to work in an open, transparent, non-discriminatory, and collaborative manner (subject to ColumbiaGrid's obligation to protect Confidential Information and CEII pursuant to this Order 1000 Agreement) to identify and evaluate solutions to address such Order 1000 Needs (and transmission needs of any Governmental Non-Enrolled Party identified pursuant to section 2.6 of this Order 1000 Agreement) and evaluate such solutions, including, in the case of solutions to Order 1000 Needs, consistency with the solution evaluation factors described in section 2.3 of Appendix A;
- (vi) if properly requested, apply the Order 1000 Cost Allocation Methodology to Order 1000 Projects in accordance with sections 6, 7, or 8 of Appendix A;
- (vii) coordinate, as appropriate, with the planning activities of other regional planning entities and neighboring transmission systems, including Order 1000 Planning Regions other than the Order 1000 ColumbiaGrid Planning Region;

- (viii) recognize each Order 1000 Party's responsibility for planning transmission facilities on its transmission system and responsibility for the planning necessary for its local projects and service of its local loads from its transmission system; and
- (ix) with respect to Order 1000 Non-Transmission Alternatives, defer to the development of such alternatives in other appropriate forums and limit analysis of such alternatives to analysis of whether a proposed Order 1000 Non-Transmission Alternative is adopted by the Person on whose Electric System it would be located.

With respect to any request for transmission service or interconnection received by any Order 1000 Party, nothing in this Order 1000 Agreement shall preclude any Order 1000 Party from responding if and as such Order 1000 Party determines is appropriate under its open access transmission tariff.

## **2.6 Planning Processes Regarding Governmental Non-Enrolled Parties**

**2.6.1** The System Assessment Report(s) that are prepared pursuant to section 3 of Appendix A will, in addition to identifying the information with respect to the Order 1000 ColumbiaGrid Planning Region, also identify need(s) for transmission facilities on the transmission system of any Governmental Non-Enrolled Party, including any such need that is driven by reliability requirements, addresses economic considerations, or is driven by Public Policy Requirements. ColumbiaGrid, in coordination with the Order 1000 Parties and Interested Persons, shall (i) select need(s) for transmission facilities in the ColumbiaGrid Planning Region of any such Governmental Non-Enrolled Party that are projected to occur during the Planning Horizon that should be addressed, (ii) develop conceptual transmission solutions that address any such need(s), and (iii) indicate whether a non-transmission solution might be viable to eliminate or delay the necessity for a transmission-based solution to such needs. In selecting such needs from among potential needs, ColumbiaGrid shall apply the Order 1000 Needs Factors as if such potential needs were Order 1000 Potential Needs.

**2.6.2** Study Team(s) will, in addition to the purpose and function of Study Team(s) described in section 4 of Appendix A, also be formed and used to evaluate solutions (including Governmental Non-Enrolled Party Non-Transmission Alternatives that would result in the elimination or deferral of a transmission need of a Governmental Non-Enrolled Party) and develop all required elements of a plan(s) of service to address transmission needs identified pursuant to section 2.6.1 of this Order 1000 Agreement. In selecting such transmission solutions from among potential solutions, ColumbiaGrid shall apply the relevant provisions of sections 2, 3, and 4 of Appendix A, including the Order 1000 Planning Criteria set forth in section 2.1 of Appendix A and the factors set forth in section 2.3 of Appendix A, as if the Order 1000 Governmental Non-Enrolled Party was an Order 1000 Enrolled Party and as if such solutions were intended to address Order 1000 Needs. In the event that the Study Team does not reach consensus on all of the elements of the plan(s) of service, Staff shall determine all of the elements, upon which the Study Team did not reach consensus, of the plan(s) of service; *provided that* in making its determination, Staff shall consider any comments by any Order 1000 Party or Interested Person.

### 3. Order 1000 Party Payment Obligations

#### 3.1 Base Payment Obligation

Each Person that is an Order 1000 Party shall, except as provided in section 3.2 of this Order 1000 Agreement,

- (i) within sixty days after such Person's execution and delivery of this Order 1000 Agreement, pay to ColumbiaGrid a total amount equal to \$50,000; and
- (ii) commencing upon the expiration of the Planning Cycle in which such Person's payment pursuant to item (i) above was due, thereafter pay to ColumbiaGrid an amount equal to \$2,083.33 per calendar month until such Person has withdrawn or has been deemed to withdraw from this Order 1000 Agreement pursuant to section 13 of this Order 1000 Agreement; each such monthly payment shall be due on the first day of the month for which the payment is to be made.

For the avoidance of doubt, ColumbiaGrid shall have no obligation under this Order 1000 Agreement to any Order 1000 Party obligated to make payment pursuant to this section 3.1 unless and until such payment is received from such Order 1000 Party by ColumbiaGrid, and such payment shall not be refundable.

ColumbiaGrid or any Order 1000 Party may, by providing written notice to all other signatories to this Order 1000 Agreement, request that ColumbiaGrid and all Order 1000 Parties review the payment obligation under the first paragraph of this section 3.1 and review whether such payment obligation is set at a level that is expected to reimburse ColumbiaGrid for the additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under this Order 1000 Agreement in the next upcoming even-numbered calendar year and the subsequent year; *provided that* any such request must be given not less than nine full calendar months prior to the commencement of such even-numbered calendar year; *provided further* no such request may be given for review of any two-year period commencing prior to January 1, 2016. Within 60 days after ColumbiaGrid's receipt of any such request for review, ColumbiaGrid shall provide written notice to each Order 1000 Party that provides (a) identification of any adjustment in payments pursuant to the first paragraph of this section 3.1 that ColumbiaGrid believes should be made, in the two-year period for which such request was made, so that such payments equal the additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under this Order 1000 Agreement in such two-year period and (b) documentation demonstrating that such adjustment is necessary in order for such payments to equal the additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under this Order 1000 Agreement in such two-year period. Upon receipt of such notice, ColumbiaGrid and the Order 1000 Parties shall negotiate in good faith to obtain a mutually-agreeable amendment to this Order 1000 Agreement that revises the payments to be made pursuant to the first paragraph of this section 3.1, so that such payments in such two-year period equal the additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur

under this Order 1000 Agreement in such two-year period. Any such revised monthly payments to be made pursuant to item (ii) of the first paragraph of this section 3.1 shall equal 1/24th of the revised payments to be made pursuant to item (i) of the first paragraph of this section 3.1, and the payments to be made pursuant to the second paragraph of this section 3.1 shall be revised to be equal to the revised payments to be made pursuant to item (i) of the first paragraph of this section 3.1. For purposes of this section 3.1, “additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under this Order 1000 Agreement” refers to administrative expenses of ColumbiaGrid that are reasonably expected to occur but that would not be reasonably expected to occur if ColumbiaGrid were not a signatory to this Order 1000 Agreement and specifically does not include any costs for which ColumbiaGrid should be paid pursuant to the second paragraph of this section 3.1 and specifically does not include any costs for which ColumbiaGrid should be paid pursuant to section 3.3 of this Order 1000 Agreement.

### **3.2 Exemptions from Base Payment Obligation**

Notwithstanding section 3.1 of this Order 1000 Agreement, any ITP Proponent shall have no payment obligation under section 3.1 of this Order 1000 Agreement if ColumbiaGrid determines that an Order 1000 Enrolled Party could be a proponent of an ITP in the Order 1000 Planning Region in which such ITP Proponent is Enrolled (and which is a Relevant Planning Region for such ITP) without there being any payment obligation imposed on such Order 1000 Party in order for it to be a proponent of such ITP.

Any Order 1000 Party that was a signatory to the 2014 Order 1000 Functional Agreement and made a payment of \$50,000 as specified therein shall have no obligation under this Order 1000 Agreement to make the \$50,000 payment specified in item (i) of section 3.1 of this Order 1000 Agreement.

An Order 1000 Party that has made a \$50,000 payment pursuant to section 3.1 of this Order 1000 Agreement (or as specified in the 2014 Order 1000 Functional Agreement) but that withdraws or is deemed to withdraw in the Planning Cycle in which such payment was made shall, if it becomes an Order 1000 Party again during the same Planning Cycle, have no obligation to make such \$50,000 payment again but rather shall after such Planning Cycle make any monthly payments due pursuant to section 3.1 of this Order 1000 Agreement.

### **3.3 Incremental Cost Payment Obligation**

Any Order 1000 Enrolled Party that requests an Order 1000 Cost Allocation (or reperformance of an Order 1000 Cost Allocation) pursuant to section 5.2 of Appendix A shall pay to ColumbiaGrid the following incremental ColumbiaGrid costs of performing (or reperforming) such Order 1000 Cost Allocation, as reasonably determined by ColumbiaGrid:

- (i) any time of ColumbiaGrid employees or contractors required to perform such Order 1000 Cost Allocation, charged at the cost per hour of such employees or contractors; and
- (ii) to the extent not included in item (i) above, the incremental cost of any services (or licenses) secured specifically for such Order 1000 Cost Allocation by ColumbiaGrid, as necessary to perform such

Order 1000 Cost Allocation, that would not have otherwise been secured; *provided that* if any such services (or licenses) are also used for one or more Order 1000 Cost Allocations during the same Planning Cycle in which ColumbiaGrid initially procured such services (or licenses), ColumbiaGrid shall equitably allocate the costs of such services (or licenses) among the requesters of all such Order 1000 Cost Allocations for which such services (or licenses) are used (and shall provide a credit as appropriate against earlier payments for such services (or licenses) as appropriate to achieve such equitable allocations.

(“Incremental Costs”). Specifically excluded from Incremental Costs of performing any Order 1000 Cost Allocation are (a) any occupancy and incidental costs such as rent, office supplies, or long-distance telephone calls; and (b) any costs described in item (ii) above that ColumbiaGrid would otherwise incur in the absence of performance of any Order 1000 Cost Allocation.

#### **4. ColumbiaGrid Transmission Planning Process Requirements**

##### **4.1 Duty to Cooperate**

Each Order 1000 Party shall cooperate with and support ColumbiaGrid in the implementation of its responsibilities under this Order 1000 Agreement, which shall, as applicable, include providing data relating to its Electric System or Proposed Order 1000 Need(s) (including data relating to any proposed solutions to address such Proposed Order 1000 Need(s) for which such Order 1000 Party is a proponent) and individual Order 1000 Party transmission planning criteria and performing technical studies regarding its transmission system (or Proposed Order 1000 Need(s)) as it relates to the RIS. Specifically, each Order 1000 Party shall participate in, and support, ColumbiaGrid performing annual system assessments and shall participate actively in the Study Teams that are formed to address Order 1000 Needs or develop Order 1000 Proposed Projects for which such Order 1000 Party is an Order 1000 Affected Person. Each Order 1000 Party performing studies contemplated under this Order 1000 Agreement shall keep the Staff informed about those studies and seek the input of the Staff, as appropriate, and shall provide the final studies to the Staff for the use of ColumbiaGrid. Nothing in this Order 1000 Agreement shall prohibit an Order 1000 Party from constructing a transmission facility or expanding its Electric System in a manner that has not yet been reflected in a Plan; *provided that* nothing in this Order 1000 Agreement shall preclude ColumbiaGrid from determining through a system assessment that there are still unmet Order 1000 Need(s) notwithstanding any such facility or expansion or any other facility or expansion. Nothing in this section 4.1 is intended to prevent ColumbiaGrid from performing studies as needed in accordance with this Order 1000 Agreement.

##### **4.2 Coordinated, Open, Transparent, and Non-Discriminatory Nature of Process**

ColumbiaGrid shall endeavor to implement the transmission planning processes under this Order 1000 Agreement in a coordinated, open, transparent, non-discriminatory, and participatory manner, subject to ColumbiaGrid’s obligation to protect Confidential Information and CEII pursuant to this Order 1000 Agreement. These processes are not intended to create any

Third Person remedies or rights as to the adequacy of ColumbiaGrid's processes or public review.

#### **4.3 Notice to Potentially Interested Persons**

ColumbiaGrid shall, in consultation with each Study Team, endeavor to notify the following Persons of the formation and scope of activities of such Study Team with respect to any proposed solution to an Order 1000 Need(s): (i) all Order 1000 Affected Persons with respect to such solution, (ii) all Persons potentially interested in such Study Team, and (iii) the Interested Persons List, including Pacific Northwest transmission owners and operators and State, Provincial, and Tribal representatives on the Interested Persons List. ColumbiaGrid shall develop protocols regarding procedures designed to identify and notify States and Provinces, including agencies responsible for facility siting, utility regulation, and general energy policy, Tribes, and Pacific Northwest transmission owners and operators that are potentially impacted by Order 1000 Needs or solutions regarding the activities of Study Teams addressing such Order 1000 Needs or solutions. For example, the protocol should include a provision stating that at such time as it becomes apparent to a Study Team that Tribal resources or lands may be impacted, ColumbiaGrid should make a reasonable attempt to notify potentially impacted Tribes of its work. ColumbiaGrid may work with the Order 1000 Parties and Pacific Northwest Tribes to compile a database of Tribal lands and culturally significant areas for use under such a protocol.

#### **4.4 Use of Study Teams**

ColumbiaGrid shall assemble Study Teams as more fully described in Appendix A to this Order 1000 Agreement and in Appendix A to the PEFA. Such Study Teams are intended to be the primary tool for participation by Order 1000 Parties, Order 1000 Affected Persons, and Interested Persons in the development of transmission solutions under this Order 1000 Agreement. Study Team participants shall bear their own costs of participation. ColumbiaGrid may establish terms and conditions it determines appropriate for participation by any Person in a Study Team, including terms and conditions relating to protection of Confidential Information and CEII.

#### **4.5 Development of Protocol for Communications With and Receiving Input from States, Provinces, and Tribes**

ColumbiaGrid shall maintain protocols to foster the collaborative involvement of States, Provinces, and Tribes in the ColumbiaGrid transmission planning processes under this Order 1000 Agreement. Such protocols shall guide ColumbiaGrid's communications with Relevant State and Provincial Agencies and Tribes regarding the ColumbiaGrid transmission planning processes under this Order 1000 Agreement and shall include the following.

**4.5.1 Roles of States and Provincial Agencies in the ColumbiaGrid Transmission Planning Processes.** ColumbiaGrid shall maintain as part of its list of Interested Persons an up-to-date service list of Relevant State and Provincial Agencies that have indicated interest in participation in ColumbiaGrid's transmission planning activities or otherwise interested in collaborative involvement with ColumbiaGrid. All Relevant State and Provincial

Agencies may participate as non-decisional participants in any Study Team involved in the ColumbiaGrid transmission planning processes as set forth in Appendix A. In addition, ColumbiaGrid shall provide the opportunity for direct consultation between its Board or Staff and any Relevant State and Provincial Agency whenever requested by the Agency. Such requests can be in response to proposed ColumbiaGrid actions, at the discretion of the Relevant State and Provincial Agency, or at the request of ColumbiaGrid Board. ColumbiaGrid shall endeavor to have such collaborative consultations take place with any Relevant State and Provincial Agency at least once a year unless deemed unnecessary by such Relevant State and Provincial Agency. Such consultations shall take place at locations selected by the Relevant State and Provincial Agency within reasonable time and budget constraints, and, if requested by the Relevant State and Provincial Agency, shall be an open public meeting.

**4.5.2 Development of Protocol for Communications With and Receiving Input From Tribes.** ColumbiaGrid shall develop a protocol to foster the collaborative involvement of Pacific Northwest Tribes in the ColumbiaGrid transmission planning processes under this Order 1000 Agreement. Such protocol shall guide ColumbiaGrid's communications with the Tribes and shall include provisions to keep the Tribes informed regarding ColumbiaGrid's activities as well as provisions to receive input from the Tribes and their authorized representatives in the transmission planning processes. For example, the protocol should include a provision stating that at such time as it becomes apparent to a Study Team that Tribal resources or lands may be impacted, ColumbiaGrid should make a reasonable attempt to notify potentially impacted Tribes of its work. ColumbiaGrid may work with the Order 1000 Parties, Pacific Northwest Tribes, and Interested Persons to compile a database of Tribal lands and culturally significant areas for use under such a protocol.

#### **4.6 ColumbiaGrid Development of WECC Submittals**

ColumbiaGrid Staff shall, in consultation with each TOPP that is an Order 1000 Party (and any other Order 1000 Parties as appropriate), develop data submittals on behalf of such Order 1000 Parties for WECC base case development purposes. Each Order 1000 Party agrees to submit to ColumbiaGrid its underlying data for the WECC submittals.

#### **4.7 Third Person Access to ColumbiaGrid Data and Analysis**

ColumbiaGrid shall develop, and revise as necessary, policies regarding the provision of planning data or analysis to Third Persons subject to the appropriate treatment of Confidential Information, information relating to Standards of Conduct matters, and CEII; *provided that* ColumbiaGrid shall make clear on the Website and in other distributions that such data and analysis is being provided as is and that any reliance by the user on such data or analysis is at its own risk and, specifically, shall make clear (and shall require Third Persons receiving such data or analysis from ColumbiaGrid to enter into separate contracts agreeing) that any such data or analysis is not warranted by ColumbiaGrid or any Order 1000 Party and that neither ColumbiaGrid nor any Order 1000 Party is responsible for any such data or analysis, for any errors or omissions in such data, or for any delay or failure to provide any such data or analysis to such Third Persons.

## **5. Standards of ColumbiaGrid Performance**

ColumbiaGrid shall carry out its obligations under this Order 1000 Agreement in an efficient, expeditious, professional, and skillful manner. In providing transmission planning services to Order 1000 Parties under this Order 1000 Agreement, ColumbiaGrid shall comply with all applicable laws, ordinances, rules, regulations, orders, licenses, permits, and other governmental requirements (including, but not limited to, any such requirements imposed upon Order 1000 Parties with respect to ColumbiaGrid's provision of transmission planning services); *provided that* regulatory requirements imposed on any single Order 1000 Party shall not be deemed applicable to other Order 1000 Parties as a result of this Order 1000 Agreement, nor shall ColumbiaGrid apply in its processes any such regulatory requirements to other Order 1000 Parties that are not otherwise applicable to such other Order 1000 Parties.

## **6. Authorization of ColumbiaGrid Performance Under This Order 1000 Agreement; Scope of This Order 1000 Agreement**

### **6.1 Authorization for ColumbiaGrid to Perform Obligations Under This Order 1000 Agreement**

Unless specifically otherwise provided in this Order 1000 Agreement, ColumbiaGrid is authorized, pursuant to Section 6.1 of the Bylaws, to engage on its own behalf, and not as agent for Order 1000 Parties, in any activity reasonably necessary to perform its obligations under this Order 1000 Agreement, including the hiring of contractors or consultants.

### **6.2 Scope of This Order 1000 Agreement**

Consistent with Order 1000, the Order 1000 Parties intend this Order 1000 Agreement to facilitate fair regional transmission planning processes and do not intend this Order 1000 Agreement to dictate substantive outcomes of such processes. Nothing in this Order 1000 Agreement (i) creates any obligation of any Person to construct or operate any transmission facilities, (ii) authorizes or requires any Person to be, or prohibits any Person from being, an owner or operator of any transmission facilities (including any Person that is or is not qualified or identified as a developer, owner, or operator pursuant to this Order 1000 Agreement), or (iii) authorizes ColumbiaGrid to own, operate, or otherwise control any transmission facilities in any way.

Nothing in this Order 1000 Agreement will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

## **7. Limitation of Liability Among Order 1000 Parties**

Each Order 1000 Party at any time that is both eligible to be a party to the WIS Agreement and operates electrical facilities for generation, transmission, or distribution shall become and remain at all such times a party to the WIS Agreement as a condition of participation in this Order 1000 Agreement.

## **8. Insurance, Indemnification, and Limitations of Liability**

To promote cooperation between and among ColumbiaGrid and the Order 1000 Parties, to avoid duplication of costs, and to carry out the purposes of this Order 1000 Agreement, ColumbiaGrid and the Order 1000 Parties agree to the following provisions for insurance, indemnification, and limited liability.

### **8.1 Insurance; Waiver of Subrogation Rights**

**8.1.1 ColumbiaGrid Insurance Coverage Requirements.** Throughout the term of this Order 1000 Agreement, ColumbiaGrid shall maintain insurance coverage that at a minimum:

- (i) provides general liability and errors and omissions insurance with respect to ColumbiaGrid's performance under this Order 1000 Agreement;
- (ii) provides for maximum per-occurrence self-insured retention in an amount approved in writing by each Order 1000 Party that is an Order 1000 Party as of the Effective Date;
- (iii) provides general liability coverage limits (with each Order 1000 Party that so opts in writing named as an additional insured) in an amount approved in writing by each Order 1000 Party that is an Order 1000 Party as of the Effective Date and separate errors and omission coverage limits in an amount approved in writing by each Order 1000 Party that is an Order 1000 Party as of the Effective Date;
- (iv) provides an agreement or endorsement under which the insurance cannot be terminated, canceled, allowed to expire, or materially altered without 90 days' prior written notice to ColumbiaGrid and provides that such policy is primary over any other insurance; and
- (v) provides that ColumbiaGrid's insurer shall be bound by any waivers of the insurer's rights of subrogation granted by ColumbiaGrid.

**8.1.2 Waiver of Subrogation Rights.** ColumbiaGrid hereby waives all rights of subrogation its insurer(s) may have against the Order 1000 Parties and any former Order 1000 Parties.

### **8.2 ColumbiaGrid's Obligation to Notify Order 1000 Parties with Respect to Insurance**

ColumbiaGrid shall not consent or allow that the insurance required under section 8.1.1 of this Order 1000 Agreement above to be terminated, canceled, allowed to expire, or materially altered without providing at least 90 days' advance notice to the Order 1000 Parties.

ColumbiaGrid shall notify the Order 1000 Parties with the name, address, telephone number, facsimile number, and email of all insurance brokers used by ColumbiaGrid.

### **8.3 First Party Claims**

ColumbiaGrid shall not be liable to any Order 1000 Party for any loss or damage to the equipment or Electric System of such Order 1000 Party, or any loss or damages for bodily injury (including death) that such Order 1000 Party or its employees may incur arising out of this Order 1000 Agreement or its performance.

### **8.4 Third Person Claims**

**8.4.1** In the event Third Person claims are made against ColumbiaGrid or any Order 1000 Party arising out of this Order 1000 Agreement or its performance, ColumbiaGrid and the Order 1000 Parties agree as follows.

**8.4.2** In the event of any such claim, the party against which the Third Person claim is made shall provide immediate notice to ColumbiaGrid and the other Order 1000 Parties, as applicable, pursuant to section 14.1 of this Order 1000 Agreement. ColumbiaGrid and the Order 1000 Parties shall establish a Claims Committee comprised of representatives of ColumbiaGrid and each Order 1000 Party. ColumbiaGrid and each Order 1000 Party shall designate in writing its representative to serve on the Claims Committee; *provided however that* no party shall be required to serve (or designate a representative to serve) on the Claims Committee if, in such party's sole discretion, such service could create a conflict of interest or would otherwise be prohibited by law. ColumbiaGrid and all Order 1000 Parties shall make such immediate efforts as necessary to preserve evidence or protect against default judgment, and shall provide notice to the Claims Committee by giving notice to ColumbiaGrid and each Order 1000 Party and to the broker(s) identified pursuant to section 8.2 of this Order 1000 Agreement above with respect to the insurance policy(ies) described in section 8.1.1 of this Order 1000 Agreement.

**8.4.3** ColumbiaGrid shall provide notice to each Order 1000 Party and as necessary to its insurance carrier, and refer such matter to the Claims Committee. ColumbiaGrid and the Order 1000 Parties anticipate that the Claims Committee shall have responsibility to (i) review any such claims, (ii) take action as necessary to properly investigate, evaluate, and defend such claims, and (iii) make recommendations regarding payment, rejection, or compromise of such claims.

**8.4.4** In the event of legal action resulting from the denial of any such claim, ColumbiaGrid and the Order 1000 Parties anticipate that the Claims Committee shall recommend suitably qualified legal counsel to defend such claims. Subject to this section 8.4.4 and to the extent permitted by law, ColumbiaGrid and the Order 1000 Parties agree, except where there is an irreconcilable conflict of interest, to endeavor to (i) consent to joint representation in defense of such legal action and (ii) make good faith efforts to enter into a mutually acceptable joint representation agreement to facilitate cooperation, information sharing, and protection of attorney-client privilege and work product in connection with the joint defense. If joint representation is precluded by an irreconcilable conflict of interest or for any other reason, the

party(ies) unable or unwilling to participate in joint representation shall obtain legal counsel of its own choice, at its own expense, to defend itself in such legal action. Bonneville Power Administration as an Order 1000 Party may, but shall not be obligated to, comply with section 8.4.3 of this Order 1000 Agreement and this section 8.4.4 with respect to any claim against and presented to Bonneville Power Administration.

**8.4.5** Where the claim or legal action arises in whole or in part from allegedly negligent actions or inactions of ColumbiaGrid in performance of its obligations of this Order 1000 Agreement, the self-insured retention and the policy coverage described in section 8.1.1 of this Order 1000 Agreement shall be regarded as primary with respect to payments or judgments resulting from any such claim or legal action. Payments shall include reasonable attorneys' fees and costs of investigation and defense. To the extent of insurance coverage and the extent permitted by applicable law, ColumbiaGrid shall indemnify, defend, and hold each Order 1000 Party harmless from and against all damages based upon or arising out of bodily injuries or damages to any Third Person(s) or parties, including without limitation death resulting therefrom, or physical damages to or losses of property caused by, arising out of, or sustained in connection with performance of this Order 1000 Agreement to the extent attributable to the negligence of ColumbiaGrid or its employees, agents, suppliers, and subcontractors (including suppliers and subcontractors of subcontractors; hereinafter "Subcontractors"). As used in this section 8.4 and in sections 8.3 and 8.5 of this Order 1000 Agreement, "damages" means any claims, losses, costs, expenses, damages (including without limitation direct, indirect, incidental, consequential, special, exemplary, and punitive damages), payments made in settlement, arbitration awards, and liabilities, including reasonable attorneys' fees.

### **8.5 Inaccurate or Incomplete Data or Information**

Liability as between and among ColumbiaGrid and Order 1000 Parties and as between and among Order 1000 Parties for incomplete or inaccurate data or information shall be subject to the limitations set forth in section 8.6 of this Order 1000 Agreement, and shall be limited as follows. ColumbiaGrid and each Order 1000 Party shall make good faith efforts to cause data and information provided under this Order 1000 Agreement to be accurate; *provided however that* neither ColumbiaGrid nor any Order 1000 Party shall be liable for damages resulting from the provision of inaccurate or incomplete data or information, except to the extent that such inaccuracy or incompleteness results from ColumbiaGrid's or an Order 1000 Party's(ies') Willful Action.

### **8.6 Limitation of Damages**

As between and among ColumbiaGrid and Order 1000 Parties and as between and among Order 1000 Parties, each of those parties waives as against the other of those parties (including its directors, commissioners, officers, and employees) all claims, and otherwise covenants not to sue or otherwise pursue any claim or remedy, arising out of or in connection with this Order 1000 Agreement or its performance (whether based on contract, tort, or any other legal theory), except for:

- (i) claims arising under section 8.4.5 of this Order 1000 Agreement with respect to Third Person actions; and

- (ii) claims for actual, direct damages only, which shall under no circumstances include any lost profits, lost data, or any indirect, incidental, consequential, special, exemplary, or punitive damages;

*provided that* nothing in this Order 1000 Agreement shall apply to claims for loss or damage between or among Order 1000 Parties that are within the scope of the WIS Agreement.

## **9. Uncontrollable Force**

Neither ColumbiaGrid nor any Order 1000 Party shall be in breach of this Order 1000 Agreement as a result of such party's failure or delay to perform its obligations under this Order 1000 Agreement when such failure is caused by an Uncontrollable Force that such party, despite the exercise of due diligence, is unable to remove with reasonable dispatch; *provided however that* such party shall have the right to suspend performance of such obligations only to the extent and for the duration that the Uncontrollable Force actually and reasonably prevents the performance of such obligations by such party. In the event of the occurrence of an Uncontrollable Force that delays or prevents a party's performance of any of its obligations under this Order 1000 Agreement, such party shall (i) immediately notify the other parties to this Order 1000 Agreement of such Uncontrollable Force with such notice to be confirmed in writing as soon as reasonably practicable, (ii) use due diligence to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligations under this Order 1000 Agreement, (iii) keep the other parties to this Order 1000 Agreement apprised of such efforts on an ongoing basis, and (iv) provide written notice to the other parties to this Order 1000 Agreement of the resumption of performance under this Order 1000 Agreement. Notwithstanding any of the foregoing, the settlement of any strike, lockout, or labor dispute constituting an Uncontrollable Force shall be within the sole discretion of the party to this Order 1000 Agreement involved in such strike, lockout, or labor dispute; and the requirement that a party to this Order 1000 Agreement must use due diligence to remedy the cause of the Uncontrollable Force or mitigate its effects and resume full performance under this Order 1000 Agreement shall not apply to strikes, lockouts, or labor disputes.

## **10. Assignments and Conveyances**

### **10.1 Successors and Assigns**

This Order 1000 Agreement is binding on and shall inure to the benefit of ColumbiaGrid and the Order 1000 Parties and to each of their respective successors, permitted assigns, and legal representatives.

### **10.2 Assignment of ColumbiaGrid's Rights and Obligations**

ColumbiaGrid shall not, without the prior written consent of each of the Order 1000 Parties, assign, pledge, or transfer all or any part of, or any right or obligation under, this Order 1000 Agreement, whether voluntarily or by operation of law; *provided that* nothing in this section 10.2 shall prohibit ColumbiaGrid from contracting with Third Persons for the provision of services to assist ColumbiaGrid in performing its obligations under this Order 1000 Agreement.

### **10.3 Assignment of an Order 1000 Party's Rights and Obligations**

Except as otherwise provided in section 10.4 of this Order 1000 Agreement, an Order 1000 Party shall not, without the prior written consent of ColumbiaGrid, assign, pledge, or transfer all or any part of, or any right or obligation under, this Order 1000 Agreement, whether voluntarily or by operation of law; *provided however that* an Order 1000 Party may, without the consent of ColumbiaGrid, assign its rights and obligations under this Order 1000 Agreement to any Person (i) into which the Order 1000 Party is merged or consolidated or (ii) to which the Order 1000 Party sells, transfers, or assigns all or substantially all of its Electric System, so long as the survivor in any such merger or consolidation, or the purchaser, transferee, or assignee of such Electric System provides to ColumbiaGrid a valid and binding written agreement expressly assuming and agreeing to be bound by all obligations of the Order 1000 Party under this Order 1000 Agreement.

### **10.4 Assignment of Facilities**

Notwithstanding any other provision of this Order 1000 Agreement, an Order 1000 Party may pledge or assign all or any portion of its transmission system without ColumbiaGrid's or any other Order 1000 Party's consent.

### **10.5 Effect of Permitted Assignment**

In the event of any permitted sale, transfer, or assignment under this Order 1000 Agreement, the transferor or assignor shall to the extent of the transferred or assigned obligations, and only to such extent, be relieved of obligations accruing from and after the effective date of such transfer or assignment; *provided however that* under no circumstances shall any sale, transfer, or assignment relieve the transferor or assignor of any liability for any breach of this Order 1000 Agreement occurring prior to the effective date of such transfer or assignment.

### **10.6 Consent Not Unreasonably Denied or Delayed**

Consents to assignment, pledge, or transfer requested pursuant to this section 10 shall not be unreasonably denied or delayed.

## **11. Submission of, Access to, and Use of Certain Information**

### **11.1 Load and Resource Information**

Each Order 1000 Enrolled Party will by January 31st of each year provide ColumbiaGrid with

- (i) any then-current Local Transmission Plan of such Order 1000 Enrolled Party;
- (ii) data regarding projected loads and resources of such Order 1000 Enrolled Party, including projections of network customer loads

and resources and projected point-to-point transmission service information; and

- (iii) data regarding existing and planned demand response resources not reflected in item (ii) above that are anticipated to affect such Order 1000 Enrolled Party's projected loads and resources reflected in item (ii) above.

Such information regarding projected transmission needs, loads, and resources of such Order 1000 Enrolled Party will typically be provided in the underlying data for WECC submittals provided by such Order 1000 Enrolled Party pursuant to section 4.6 of this Order 1000 Agreement; *provided that* such Order 1000 Enrolled Party will provide any updates to such information regarding projected transmission needs, loads, and resources upon ColumbiaGrid's request. Each Order 1000 Enrolled Party providing to ColumbiaGrid pursuant to this section 11.1 any information (including any update) that is a projection shall use reasonable efforts to provide a good faith projection thereof.

A transmission customer of an Order 1000 Enrolled Party or Governmental Non-Enrolled Party is to submit to such party, in accordance with and on the schedule set forth in its Attachment K, if any, transmission planning information regarding projected transmission needs, loads, and resources of such transmission customer. Interested Persons may also submit to ColumbiaGrid data regarding ten-year projected loads and resources, including existing and planned demand response resources, on the Order 1000 Transmission System of any Order 1000 Enrolled Party or on the transmission system of any Governmental Non-Enrolled Party. Such submittals to ColumbiaGrid should if practicable be submitted (a) by January 31st of any year to facilitate the availability of information for use in ColumbiaGrid planning in such year, and (b) in the format for WECC submittals pursuant to section 4.6 of this Order 1000 Agreement. The format for the data files for WECC submittal is available from ColumbiaGrid upon request.

Any Governmental Non-Enrolled Party shall provide ColumbiaGrid with the information required by this section 11.1 (or by section 4.1 or 4.6 of this Order 1000 Agreement or by section 3.2.2 of Appendix A) as if it were an Order 1000 Enrolled Party.

ColumbiaGrid shall have no obligation under this Order 1000 Agreement to evaluate the validity or accuracy of any information it receives pursuant to this section 11.1 but may so evaluate the validity or accuracy of any such information if ColumbiaGrid determines such evaluation to be appropriate and reasonable. Similarly, ColumbiaGrid shall have no obligation to use any information for any purpose under this Order 1000 Agreement that ColumbiaGrid determines to be inappropriate or unreasonable for such use and may, in lieu thereof, substitute information that ColumbiaGrid determines to be appropriate and reasonable for such use.

## **11.2 Access to Study Reports and Order 1000 Replication Data from ColumbiaGrid**

ColumbiaGrid will post on the Website a list of the names of planning studies it has performed pursuant to this Order 1000 Agreement that underlie analysis of any Order 1000 Need(s), Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), or Order 1000

Project(s) and maintain such names on such list for a period of not less than five years. ColumbiaGrid will, subject to the other provisions of this section 11, make available the final report for any such study to any Interested Person upon receipt therefrom by ColumbiaGrid of written request for such final report during a period of not less than five years following completion of such final report. Also, ColumbiaGrid will, subject to the other provisions of this section 11, make available the Order 1000 Replication Data for any planning study upon receipt therefrom by ColumbiaGrid of written request for such Order 1000 Replication Data during a period of not less than five years following completion of such final report.

Access by any Person (such as an Interested Person) to, and use by any Person (such as an Interested Person) of, any planning study performed by ColumbiaGrid pursuant to this Order 1000 Agreement or any Order 1000 Replication Data shall be subject to any CEII restrictions and any confidentiality or other restrictions on access or use reasonably imposed by ColumbiaGrid, including, for example, requirements of either or both a CEII Non-Disclosure Agreement and Confidential Information Non-Disclosure Agreement. Further, such access by any Person (such as an Interested Person) to, and use by any Person (such as an Interested Person) of, any planning study performed by ColumbiaGrid pursuant to this Order 1000 Agreement or any Order 1000 Replication Data that ColumbiaGrid has received from any other entity may be subject to any restrictions on access to such data imposed by such entity. For example, any access to data such as Order 1000 Replication Data that constitutes WECC base case data by any entity such as an Interested Person is subject to any restrictions on access to data imposed by WECC (such as a requirement that such entity must hold membership in or execute a non-disclosure agreement with WECC (<http://www.wecc.biz>)) and the procedures set forth in the provisions of this section 11.

### **11.3 Use of Order 1000 Replication Data Received From ColumbiaGrid**

ColumbiaGrid shall, subject to the other provisions of this section 11, provide Order 1000 Replication Data to any Person who agrees in writing to use such data solely for the purpose of evaluating the results of ColumbiaGrid's planning studies performed pursuant to this Order 1000 Agreement.

### **11.4 Confidential Information**

Order 1000 Parties seeking designation of Confidential Information shall act in good faith when asserting the confidentiality of material. Each Order 1000 Party shall use reasonable efforts to maintain the confidentiality of all Confidential Information provided to it by another Order 1000 Party or ColumbiaGrid pursuant to this Order 1000 Agreement. ColumbiaGrid shall not post Confidential Information on the public portion of the Website and ColumbiaGrid will only disclose Confidential Information in accordance with this section 11, including the procedures in section 11.6 of this Order 1000 Agreement.

In the event a dispute arises related to the designation of Confidential Information under this Order 1000 Agreement, representatives of the disputing Order 1000 Parties (and ColumbiaGrid, if party to the dispute) with authority to settle the dispute shall meet and confer in good faith in an effort to resolve the dispute. If the dispute is not so resolved, the dispute may, if the disputing Order 1000 Parties (and ColumbiaGrid, if party to the dispute) so elect, be resolved

by arbitration as follows. Any arbitration initiated under this Order 1000 Agreement shall be conducted before a single, neutral arbitrator appointed by the disputing parties. If the disputing parties fail to agree upon a single arbitrator within ten days of the referral of the dispute to arbitration, each such disputing party shall choose one arbitrator who shall sit on a three member arbitration panel. The two arbitrators so chosen shall within 20 days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric industry matters, including electric transmission issues, and, unless otherwise agreed by the parties to the dispute, shall not have any current or past substantial business or financial relationships with any such party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the parties to the arbitration an opportunity to be heard and shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

### **11.5 Critical Energy Infrastructure Information**

If an Order 1000 Party furnishes information marked, or ColumbiaGrid marks information, as “Critical Energy Infrastructure Information” as of the time of its furnishing, ColumbiaGrid shall not post such information on the public portion of the Website and ColumbiaGrid will only disclose such CEII in accordance with this section 11, including the procedures in section 11.6 of this Order 1000 Agreement. Further, if information designated as CEII is made part of a filing submitted by ColumbiaGrid with the Commission, ColumbiaGrid shall take reasonable steps to ensure the protection of such information pursuant to 18 C.F.R. § 388.112(b).

### **11.6 Requests for Planning Studies and Order 1000 Replication Data; Disclosure of WECC Proprietary Data, Confidential Information, or CEII**

Any Person may request information from ColumbiaGrid, including ColumbiaGrid’s planning studies and Order 1000 Replication Data, in accordance with this section 11.6. ColumbiaGrid’s planning studies and Order 1000 Replication Data may include base case data (or other data) that are WECC proprietary data and may include information that an Order 1000 Party has designated as Confidential Information or CEII. ColumbiaGrid shall provide its planning studies and Order 1000 Replication Data in accordance with this section 11.6; *provided however that* ColumbiaGrid shall not disclose any WECC proprietary data, Confidential Information or CEII except as provided in this section 11.6.

A requester may request information from ColumbiaGrid using the procedures set forth below.

- (i) A requester shall submit a signed, written request for information specifying the information being requested (on the planning information request form included on the Website) to ColumbiaGrid either via mail or email (PDF) at the following address, in accordance with the ColumbiaGrid information request procedures posted on the Website:

ColumbiaGrid  
8338 NE Alderwood Road  
Portland, OR 97220  
Attn: Information Coordinator  
email: [info@columbiagrid.org](mailto:info@columbiagrid.org)

- (ii) Requests for information made to ColumbiaGrid will be considered to be received upon actual receipt by ColumbiaGrid.
- (iii) ColumbiaGrid will promptly make a determination of whether any requested information includes WECC proprietary data, Confidential Information, or CEII.
- (iv) After making its determination required in item (iii) above, ColumbiaGrid will promptly notify the requester if any of the requested information includes any WECC proprietary data, Confidential Information, or CEII.
- (v) A Person requesting WECC proprietary data must certify to ColumbiaGrid that it holds membership in WECC or it has executed a non-disclosure agreement with WECC such that ColumbiaGrid may disclose such WECC proprietary data to the requester. ColumbiaGrid will provide WECC proprietary data to the requester upon its receipt of verification that the requester is eligible to receive such data as a member of WECC or a Person who has executed a satisfactory non-disclosure agreement with WECC. In the event that a Person requests information that includes WECC proprietary data and such Person cannot or does not certify to ColumbiaGrid, or ColumbiaGrid cannot verify, that such person is eligible to receive WECC proprietary data, ColumbiaGrid will provide such Person that portion of the requested information that is not WECC proprietary data and shall direct such Person to WECC so that such Person can work with WECC to satisfy the conditions necessary for ColumbiaGrid to disclose WECC proprietary data to such Person or so that such Person may seek any WECC proprietary data directly from WECC.
- (vi) If ColumbiaGrid receives a request for Confidential Information or CEII, ColumbiaGrid shall immediately notify the Order 1000 Party(ies) who has designated such information as Confidential Information or CEII (or, if ColumbiaGrid has designated information as CEII, the Order 1000 Party's(ies)' whose Electric System(s) the CEII is associated with) and shall seek the consent of such Order 1000 Party(ies) to release such information. Upon receipt of the notice from ColumbiaGrid required by this item (vi), each Order 1000 Party that designated such information as

Confidential Information or CEII (or whose Electrical System is associated with the CEII) may (a) consent to the disclosure of such information without condition, (b) consent to the disclosure of such information subject to reasonable conditions (*e.g.*, the Person requesting such information entering into a confidentiality agreement or non-disclosure agreement or both with ColumbiaGrid that is reasonably acceptable to such Order 1000 Party), or (c) decline to consent to the disclosure by ColumbiaGrid of such Confidential Information or CEII. If an Order 1000 Party that designated such information as Confidential Information or CEII, or an Order 1000 Party whose Electrical System is associated with CEII, consents to ColumbiaGrid's disclosure of such information, ColumbiaGrid shall disclose such information to the requester if the reasonable conditions to such disclosure requested by the Order 1000 Party, if any, are satisfied. If an Order 1000 Party that designated such information as Confidential Information or CEII, or an Order 1000 Party whose Electrical System is associated with CEII, declines to consent to ColumbiaGrid disclosing such information, ColumbiaGrid shall (a) not release or disclose such information, (b) notify the Person requesting such information that such Order 1000 Party has declined to consent to ColumbiaGrid disclosing such information, and (c) direct the Person requesting such information to request such information directly from such Order 1000 Party. The Order 1000 Party shall process any resulting requests it receives for such Confidential Information or CEII in accordance with its procedure for processing such requests for Confidential Information or CEII.

- (vii) To the extent that a Person requests information that is not Confidential Information, but is ColumbiaGrid's confidential or proprietary information, ColumbiaGrid may, in its sole discretion, release or disclose such information subject to such reasonable conditions (*e.g.*, the Person requesting such information entering into a confidentiality agreement or non-disclosure agreement or both reasonably acceptable to ColumbiaGrid) as ColumbiaGrid may deem necessary.
- (viii) Nothing in this section 11.6 shall excuse ColumbiaGrid from providing access to Confidential Information, CEII, or information that is ColumbiaGrid's confidential or proprietary information pursuant to any legal requirement to provide such access, including a subpoena or specific order by the Commission. In the event that ColumbiaGrid is required to provide access to Confidential Information or CEII pursuant to this item (viii), ColumbiaGrid shall promptly provide notice of such requirement to the Order 1000 Party that designated such information as Confidential

Information or CEII and ColumbiaGrid shall take reasonable steps to protect the confidentiality of such information.

### **11.7 Disclosure of Confidential Information Pursuant to Statute or Administrative or Judicial Order**

Order 1000 Party(ies) and ColumbiaGrid shall each use reasonable efforts to maintain the confidentiality of all Confidential Information provided to it by another Order 1000 Party or ColumbiaGrid pursuant to this Order 1000 Agreement; *provided however that* Order 1000 Party(ies) and ColumbiaGrid shall each be entitled to disclose such Confidential Information if it is required to make such disclosure by statute or administrative or judicial order. Order 1000 Party(ies) and ColumbiaGrid shall, promptly upon its receipt of a request for such Confidential Information, each notify ColumbiaGrid and the Order 1000 Party that designated such information as Confidential Information of any such request. An Order 1000 Party or ColumbiaGrid whose Confidential Information is sought to be released may, in its sole discretion and at its sole cost and expense, undertake any challenge to such disclosure.

### **11.8 Disclosure of Information Subject to Standards of Conduct**

If an Order 1000 Party furnishes information marked as “Standards of Conduct Information” at the time of its furnishing, ColumbiaGrid shall not disclose such information to any Person, including the disclosing Order 1000 Party, unless such disclosure would be consistent with the Commission’s regulations in 18 C.F.R. Part 358.

## **12. Dates as of Which this Order 1000 Agreement Becomes Effective**

### **12.1 Initial Order 1000 Parties**

This Order 1000 Agreement is initially executed and entered into between and among ColumbiaGrid, Avista Corporation, Puget Sound Energy, Inc., and MATL LLP and shall become effective as to ColumbiaGrid and all such initially executing Order 1000 Parties as of the date the respective Attachment Ks based upon this Order 1000 Agreement of each of Avista Corporation, Puget Sound Energy, Inc., and MATL LLP become effective (“Effective Date”).

Upon the Effective Date, this Order 1000 Agreement shall supersede and replace in its entirety (i) the 2013 Order 1000 Functional Agreement and (ii) the 2014 Order 1000 Functional Agreement.

### **12.2 Subsequent Order 1000 Parties**

With respect to any Order 1000 Party that enters into this Order 1000 Agreement after the date this Order 1000 Agreement is initially entered into between and among ColumbiaGrid, Avista Corporation, Puget Sound Energy, Inc., and MATL LLP pursuant to section 12.1 of this Order 1000 Agreement, this Order 1000 Agreement shall be effective as to such Order 1000 Party as of the date it executes this Order 1000 Agreement by executing a counterpart signature page of this Order 1000 Agreement and delivers such counterpart signature page to ColumbiaGrid, which shall maintain such original counterpart signature page and shall prepare and distribute a conformed copy thereof to each of the Order 1000 Parties. No Person may

become an Order 1000 Enrolled Party during any calendar year unless such Person has become an Order 1000 Enrolled Party not later than thirty days after the posting of the Final System Assessment Report and the Order 1000 Need Statements for such calendar year.

No Person is required to be an Order 1000 Party in order to participate pursuant to this Order 1000 Agreement in a Study Team, to request qualification of any proposed developer(s), owner(s), or operator(s) of an Order 1000 Project pursuant to section 2.5 of Appendix A, or to request consideration of the impact of a proposed Order 1000 Merchant Transmission Project pursuant to section 2.7 of Appendix A.

### **12.3 Renegotiation of This Order 1000 Agreement**

If the Commission requires changes in any Order 1000 Party's Attachment K and a modification of this Order 1000 Agreement is required for such Order 1000 Party to comply with such Commission's requirement, the Order 1000 Parties agree to negotiate in good faith in an attempt to modify this Order 1000 Agreement as appropriate to reflect such required changes in such Attachment K.

## **13. Withdrawal by Order 1000 Party**

**13.1** Any Order 1000 Party may withdraw from this Order 1000 Agreement by providing written notice of such withdrawal to ColumbiaGrid and each of the other Order 1000 Parties. Such withdrawal shall occur and be effective upon (i) the receipt of such written notice by ColumbiaGrid if the withdrawing Order 1000 Party is within the definition of 16 U.S.C. § 824(f) (and hence is not a "public utility" under Part II of the Federal Power Act) or (ii) the expiration of 90 days following the receipt of such written notice by ColumbiaGrid if the withdrawing Order 1000 Party is not within the definition of 16 U.S.C. § 824(f).

**13.2** Any Order 1000 Enrolled Party that

- (i) at any time owns or operates existing transmission facilities in the Regional Interconnected Systems that are operating; and
- (ii) after the expiration of 90 days after such time is either not a signatory to the PEFA or is Enrolled in an Order 1000 Planning Region other than ColumbiaGrid

shall be deemed to have withdrawn from this Order 1000 Agreement, which deemed withdrawal shall be effective upon the expiration of such 90-day period.

No Order 1000 Party that has withdrawn or has been deemed to have withdrawn pursuant to this section 13 shall have any obligation to make any payment pursuant to section 3 of this Order 1000 Agreement if such payment was not due on or before the date upon which the withdrawal or deemed withdrawal of such Order 1000 Party is effective. Upon the withdrawal or deemed withdrawal of such Order 1000 Party becoming effective, all rights and obligations under this Order 1000 Agreement of such Order 1000 Party shall terminate; provided that all obligations and liabilities of such Order 1000 Party accrued under this Order 1000 Agreement through the

date upon which the withdrawal or deemed withdrawal of such Order 1000 Party is effective are hereby preserved until satisfied.

## **14. Miscellaneous**

### **14.1 Notices Under This Order 1000 Agreement**

**14.1.1 Permitted Methods of Notice.** Any notice, demand, or request to an Order 1000 Party or ColumbiaGrid in accordance with this Order 1000 Agreement, unless otherwise provided in this Order 1000 Agreement, shall be in writing and shall be deemed properly served, given, or made to the address of the receiving party set forth below (i) upon delivery if delivered in person, (ii) upon execution of the return receipt, if sent by registered United States or Canadian mail, postage prepaid, return receipt requested, or (iii) upon delivery if delivered by prepaid commercial courier service.

The address of ColumbiaGrid shall be:

8338 NE Alderwood Road  
Suite 140  
Portland, OR 97220  
Attn: Chief Executive Officer

The addresses of the initial Order 1000 Parties shall be:

Avista Corporation:

1411 E. Mission Ave.  
Spokane, WA 99202-1902  
Attn: Manager, Transmission Services

MATL LLP:

Fifth Avenue Place  
Suite 3000, 425 - 1st St, SW  
Calgary, AB T2P 3L8  
Attention: Director, Law, Green Power and Transmission

Puget Sound Energy, Inc.:

P.O. Box 97034  
Bellevue, WA 98009  
Attn: George Marshall, Director, Electric Transmission

**14.1.2 Change of Notice Address.** Any Order 1000 Party may at any time, by written notice to ColumbiaGrid, change the designation or address of the person specified to receive notice on its behalf. In such case, ColumbiaGrid shall promptly notify all of the other Order 1000 Parties of such change.

**14.1.3 Routine Notices.** Any notice of a routine character in connection with this Order 1000 Agreement shall be given in such a manner as the Order 1000 Parties may determine from time to time, unless otherwise provided in this Order 1000 Agreement.

**14.1.4 Initial Address of Subsequent Planning Party.** Any Order 1000 Party that enters into this Order 1000 Agreement pursuant to section 12.2 of this Order 1000 Agreement after execution of this Order 1000 Agreement by the initial Order 1000 Parties shall promptly give ColumbiaGrid written notice of the designation and address of the person specified to receive notice on its behalf. In such case, ColumbiaGrid shall promptly notify all of the other Order 1000 Parties of such designation and address.

## **14.2 Amendment or Modification**

This Order 1000 Agreement may not be amended or modified except by any subsequent mutual written agreement, duly executed by all then-current Order 1000 Parties to this Order 1000 Agreement and ColumbiaGrid.

If any provision of this Order 1000 Agreement, or the application thereof to any person, entity, or circumstance, is held by a court or regulatory authority of competent jurisdiction to be invalid, void, or unenforceable, or if a modification or condition to this Order 1000 Agreement is imposed by a regulatory authority exercising jurisdiction over this Order 1000 Agreement, the Order 1000 Parties and ColumbiaGrid shall endeavor in good faith to negotiate such amendment(s) to this Order 1000 Agreement as will restore the relative benefits and obligations of the signatories under this Order 1000 Agreement immediately prior to such holding, modification, or condition. If an Order 1000 Party finds such holding, modification, or condition unacceptable and the Order 1000 Parties and ColumbiaGrid are unable to renegotiate a mutually acceptable resolution, an Order 1000 Party may by written notice to each other Order 1000 Party and ColumbiaGrid withdraw from this Order 1000 Agreement pursuant to section 13 of this Order 1000 Agreement.

The Order 1000 Parties and ColumbiaGrid agree to use good faith efforts to negotiate amendments to this Order 1000 Agreement to conform with changes to the Attachment K of any Order 1000 Enrolled Party required by the Commission; *provided that* nothing in this section 14.2 shall obligate ColumbiaGrid or any Order 1000 Party to enter into any amendment to this Order 1000 Agreement.

## **14.3 Construction of This Order 1000 Agreement**

Ambiguities or uncertainties in the wording of this Order 1000 Agreement shall not be construed for or against any Order 1000 Party or ColumbiaGrid, but shall be construed in a manner that most accurately reflects the purpose of this Order 1000 Agreement and the nature of the rights and obligations of the parties with respect to the matter being construed.

## **14.4 Integration**

This Order 1000 Agreement constitutes the complete agreement of the Order 1000 Parties and ColumbiaGrid with respect to the subject matter of this Order 1000 Agreement, and supersedes all prior or contemporaneous representations, statements, negotiations,

understandings, and inducements with respect to the subject matter of this Order 1000 Agreement.

#### **14.5 Existing Agreements Preserved**

Nothing in this Order 1000 Agreement shall be interpreted to supersede the requirements of any existing agreement unless otherwise expressly stated herein.

#### **14.6 Governing Law**

This Order 1000 Agreement shall in all respects be interpreted, construed, and enforced in accordance with the laws of the State of Washington, except to the extent that such laws may be preempted by the laws of the United States or of Canada, as applicable; *provided however that* notwithstanding the foregoing, with respect to a dispute involving an Order 1000 Party that is a United States government entity (including, but not limited to, a federal power marketing administration), this Order 1000 Agreement shall in all respects be interpreted, construed, and enforced in accordance with the laws of the United States. The Order 1000 Parties and ColumbiaGrid acknowledge that with respect to an Order 1000 Party that is an agency of the United States federal government under law in effect as of the Effective Date, such agency has not by this Order 1000 Agreement waived its sovereign immunity.

#### **14.7 Equitable Relief**

If an Order 1000 Party seeks injunctive or other equitable judicial relief for the failure of ColumbiaGrid to comply with its obligations to the Order 1000 Party under this Order 1000 Agreement, ColumbiaGrid agrees not to challenge such action on the basis that monetary damages would be a sufficient remedy.

#### **14.8 Singular and Plural; Use of “Or”**

Any use of the singular in this Order 1000 Agreement also includes the plural and any use of the plural also includes the singular. References to “or” shall be deemed to be disjunctive but not necessarily exclusive. References to “including”, “include”, and “includes” shall be deemed to mean “including, but not limited to”, “include, but not limited to”, and “includes, but not limited to”, respectively.

#### **14.9 Headings for Convenience Only**

The section headings in this Order 1000 Agreement are intended for convenience and reference only and are not intended to define, limit, or describe the scope or intent of any provisions of this Order 1000 Agreement.

#### **14.10 Relationship of the Order 1000 Parties and ColumbiaGrid**

**14.10.1 No Partnership, Etc.** Nothing contained in this Order 1000 Agreement shall be construed to create an agency, association, joint venture, trust, or partnership or to impose a trust or partnership covenant, obligation, or liability on or with regard to any of the Order 1000 Parties or ColumbiaGrid. Each Order 1000 Party and ColumbiaGrid shall be

individually responsible for its own covenants, obligations, and liabilities under this Order 1000 Agreement.

**14.10.2 Rights Several.** All rights of the Order 1000 Parties and ColumbiaGrid are several, not joint. Except as may be expressly provided in this Order 1000 Agreement, no Order 1000 Party or ColumbiaGrid shall have a right or power to bind any other Order 1000 Party or ColumbiaGrid without such other party's express written consent.

#### **14.11 No Third Person Beneficiaries**

This Order 1000 Agreement shall not be construed to create rights in, or to grant remedies to, any Third Person as a beneficiary of this Order 1000 Agreement or of any duty, obligation, or undertaking established in this Order 1000 Agreement. Nothing in this Order 1000 Agreement is intended to restrict the right of any Order 1000 Party or Interested Person to seek an order from the Commission under the Federal Power Act.

#### **14.12 No Dedication of Facilities**

No undertaking by any Order 1000 Party under or pursuant to any provision of this Order 1000 Agreement shall constitute or be deemed to constitute a dedication of all or any portion of such Order 1000 Party's transmission system, to any other Order 1000 Party or ColumbiaGrid or to the public.

#### **14.13 Nonwaiver**

Any waiver at any time by any Order 1000 Party or ColumbiaGrid of its rights with respect to any default under this Order 1000 Agreement, or with respect to any other matter arising in connection with this Order 1000 Agreement, shall not constitute or be deemed a waiver with respect to any other default or other matter arising in connection with this Order 1000 Agreement. Any waiver must be delivered in writing, executed by an authorized representative of the Order 1000 Party or ColumbiaGrid granting such waiver. Any delay short of the statutory period of limitations in asserting or enforcing any right shall not constitute or be deemed a waiver.

#### **14.14 Further Actions and Documents**

Each Order 1000 Party and ColumbiaGrid agree to do all things, including, but not limited to, the preparation, execution, delivery, filing, and recording of any instruments or agreements reasonably requested by any other Order 1000 Party or ColumbiaGrid necessary to carry out the provisions of this Order 1000 Agreement.

#### **14.15 Counterparts**

This Order 1000 Agreement may be executed in counterparts, which may be executed at different times. Each counterpart shall constitute an original, but all counterparts together shall constitute one and the same instrument. ColumbiaGrid shall maintain the original signature pages, and shall prepare and distribute a conformed copy of this Order 1000 Agreement to the Order 1000 Parties.

#### **14.16 No Expansion of Commission Authority**

Nothing in this Order 1000 Agreement, or any undertaking by or with ColumbiaGrid, is intended to (i) create or grant the Commission authority over entities or matters which it would not otherwise have, (ii) imply or establish that any Order 1000 Party or ColumbiaGrid agrees, or is precluded from contesting, as to whether or the extent to which the Commission has jurisdiction over an Order 1000 Party or ColumbiaGrid or matter or has the authority to order particular relief, or (iii) confer upon the Commission any role as arbitrator under this Order 1000 Agreement or any other decision-making role not expressly conferred upon the Commission by the Federal Power Act.

#### **14.17 Status of Order 1000 Parties Under this Order 1000 Agreement**

For the avoidance of doubt, any Order 1000 Party may only be an Order 1000 Enrolled Party, an ITP Proponent, or a Governmental Non-Enrolled Party.

Any Order 1000 Party that is a Planning Party and is within the definition of 16 U.S.C. § 824(f) (and hence is not a “public utility” under Part II of the Federal Power Act) may elect to be a Governmental Non-Enrolled Party under this Order 1000 Agreement by indicating in its signature block for this Order 1000 Agreement that it is a Governmental Non-Enrolled Party. If an Order 1000 Party indicates in its signature block for this Order 1000 Agreement that it is a Governmental Non-Enrolled Party, such Order 1000 Party, upon its execution and delivery of this Order 1000 Agreement, represents that it meets the definition of Governmental Non-Enrolled Party.

Any Order 1000 Party that is Enrolled in an Order 1000 Planning Region other than the Order 1000 ColumbiaGrid Planning Region may only be an ITP Proponent under this Order 1000 Agreement and must indicate in its signature block for this Order 1000 Agreement (i) that it is an ITP Proponent and (ii) the name of the Order 1000 Planning Region in which it is Enrolled; *provided that* an Order 1000 Non-Incumbent Transmission Developer may be Enrolled in the Order 1000 ColumbiaGrid Planning Region with respect to the proposed transmission facilities of such Non-Incumbent Transmission Developer in the Order 1000 ColumbiaGrid Planning Region identified pursuant to this section 14.17 and also Enrolled in another Order 1000 Planning Region. Any Order 1000 Enrolled Party that is an Order 1000 Non-Incumbent Transmission Developer shall advise ColumbiaGrid in writing of (i) any Order 1000 Planning Region other than the Order 1000 ColumbiaGrid Planning Region in which it is Enrolled and (ii) any proposed transmission facilities of such Order 1000 Enrolled Party in the Order 1000 ColumbiaGrid Planning Region.

If an Order 1000 Party indicates in its signature block for this Order 1000 Agreement that it is an ITP Proponent, such Order 1000 Party, upon its execution and delivery of this Order 1000 Agreement, represents that it meets the definition of ITP Proponent and that it is Enrolled in an Order 1000 Planning Region other than the Order 1000 ColumbiaGrid Planning Region, as indicated in such Order 1000 Party’s signature block.

If an Order 1000 Party does not indicate in its signature block for this Order 1000 Agreement that it is a Governmental Non-Enrolled Party and does not indicate in its signature

block for this Order 1000 Agreement that it is an ITP Proponent, such Order 1000 Party, upon its execution and delivery of this Order 1000 Agreement, represents that it meets the definition of Order 1000 Enrolled Party.

If at any time any representation any Order 1000 Party has made pursuant to this section 14.17 is not accurate, such Order 1000 Party shall immediately so notify each of the other Order 1000 Parties and ColumbiaGrid in writing and upon giving such notice shall be deemed to have given notice of withdrawal from this Order 1000 Agreement pursuant to section 13 of this Order 1000 Agreement. Any such notice of withdrawal shall be effective on that date that is 90 days after the date such notice has been given.

Upon the withdrawal (or deemed withdrawal) pursuant to section 13 of this Order 1000 Agreement of any Order 1000 Enrolled Party from this Order 1000 Agreement becoming effective, the withdrawing Order 1000 Enrolled Party shall no longer be Enrolled in the Order 1000 ColumbiaGrid Planning Region, shall no longer be an Order 1000 Enrolled Party and shall not be subject to any Order 1000 Cost Allocation approved by the Board pursuant to section 11 of Appendix A after the effective date of such withdrawal. Any Governmental Non-Enrolled Party shall not be allocated, and the Board shall not approve, an Order 1000 Cost Allocation to any Order 1000 Party that is a Governmental Non-Enrolled Party on the date of approval of such Order 1000 Cost Allocation.

#### **14.18 Representation of Authority**

Each Order 1000 Party and ColumbiaGrid, upon its execution and delivery of this Order 1000 Agreement, represents that it has authority to enter into and perform this Order 1000 Agreement. Each Order 1000 Party and ColumbiaGrid represents that the individual signing this Order 1000 Agreement on its behalf is authorized to sign this Order 1000 Agreement on behalf of the party for which such individual signs.

#### **14.19 Order 1000 Parties' Records and Information Sharing**

Each Order 1000 Party shall maintain and make available for ColumbiaGrid's inspection at such Order 1000 Party's facilities, during normal business hours and upon request, data, records, and drawings describing the physical and electrical properties of such Order 1000 Party's Electric System, subject to any applicable provisions for protection of Confidential Information and CEII.

#### **14.20 Other Reports**

ColumbiaGrid may, upon reasonable notice to an Order 1000 Party, request that such Order 1000 Party provide ColumbiaGrid with such other information or reports as ColumbiaGrid may reasonably deem necessary for its performance of this Order 1000 Agreement. The Order 1000 Party shall, except to the extent prohibited by law, make all such information or reports available to ColumbiaGrid within a reasonable period of time and in a form specified by ColumbiaGrid, subject to any applicable provisions for protection of Confidential Information and CEII.

*Signature pages to follow*

IN WITNESS WHEREOF, the Order 1000 Parties and ColumbiaGrid have caused this Order 1000 Agreement to be executed in their respective names.

**ColumbiaGrid**

By: /s/ Patrick J. Damiano  
Name: Patrick J. Damiano

Title: CEO/President  
Date: June 12, 2015

**Avista Corporation**

By: /s/ Don Kopczynski  
Name: Don Kopczynski

Title: Vice President, Energy Delivery  
Date: June 12, 2015

**MATL LLP**

By: /s/ Robert Stade  
Name: Robert Stade

Title: Director, Operational Support Services  
Date: June 11, 2015

**Puget Sound Energy, Inc.**

By: /s/ Josh Jacobs  
Name: Josh Jacobs

Title: Director Load Serving Ops  
Date: June 11, 2015

## APPENDIX A

### TRANSMISSION PLANNING PROCESS

#### 1. On-Going Planning Activities; Iterative Process; Interim Approval

Although the transmission planning processes identified in this Appendix A are described sequentially, it is anticipated that the planning activities under this Order 1000 Agreement will, except with respect to specific time periods and specific deadlines set forth in this Order 1000 Agreement, be performed on a flexible, iterative, and non-sequential basis. Accordingly, for example, ColumbiaGrid may submit Draft Order 1000 Need Statements to the Board as needed for review and comment without waiting until such time as the Draft System Assessment Report is submitted for review and comment. Planning activities under this Order 1000 Agreement will commence January 2015.

#### 2. Criteria and Factors

##### 2.1 Order 1000 Planning Criteria

With respect to Order 1000 Need(s), ColumbiaGrid shall apply the then-current versions of the following as Order 1000 Planning Criteria for its system assessment, System Assessment Reports, and Order 1000 Need Statements:

- (i) planning standards applicable to Order 1000 Enrolled Parties and ITP Proponents pursuant to law or regulation;
- (ii) NERC reliability standards;
- (iii) recognized regional planning or other reliability or transmission adequacy criteria developed by the consensus of the Order 1000 Enrolled Parties for use on their Order 1000 Transmission Systems (ColumbiaGrid may sponsor a process for development of such criteria); *provided that* an Order 1000 Enrolled Party may have other planning criteria that are more stringent than the ColumbiaGrid standards for use on its own Order 1000 Transmission System; and
- (iv) with respect to planning criteria applicable to any particular Order 1000 Enrolled Party, such additional criteria then accepted by such Order 1000 Enrolled Party and communicated to ColumbiaGrid by written notice; *provided that* any such additional criteria shall apply only to such Order 1000 Enrolled Party.

## **2.2 Order 1000 Needs Factors**

The factors used in selecting Order 1000 Needs from among Order 1000 Potential Needs to be included in the system assessment for possible identification in the System Assessment Report (“Order 1000 Needs Factors”) shall include the following:

- (i) the level and form of support for addressing the Order 1000 Potential Need (such as indications of willingness to purchase capacity and existing transmission service requests that could use capacity consistent with solutions that would address the Order 1000 Potential Need);
- (ii) the feasibility of addressing the Order 1000 Potential Need;
- (iii) the extent, if any, that addressing the Order 1000 Potential Need would also address other Order 1000 Potential Needs; and
- (iv) the factual basis supporting the Order 1000 Potential Need.

No single factor shall necessarily be determinative in selecting any Order 1000 Need from among the Order 1000 Potential Needs for inclusion in the system assessment.

## **2.3 Order 1000 Solution Evaluation Factors**

The factors used in evaluating proposed solutions, including Order 1000 Non-Transmission Alternatives, to address Order 1000 Needs shall include the following:

- (i) sponsorship and degree of development;
- (ii) feasibility;
- (iii) coordination with any affected transmission system and any other Order 1000 Affected Persons;
- (iv) economics;
- (v) effectiveness of performance;
- (vi) satisfaction of Order 1000 Need(s), including the extent to which the proposed solution satisfies multiple Order 1000 Needs;
- (vii) mitigation of any Order 1000 Material Adverse Impacts of such proposed solution on any transmission system; and
- (viii) consistency with applicable state, regional, and federal planning requirements and regulations.

No single factor shall necessarily be determinative in evaluating proposed solutions to address Order 1000 Needs.

## **2.4 Order 1000 Non-Transmission Alternatives**

If any Order 1000 Non-Transmission Alternative is adopted by the Person on whose Electric System it would be located, such Order 1000 Non-Transmission Alternative shall be included in the assumptions used in future system assessments, subject to subsequent updates on the status of such Order 1000 Non-Transmission Alternative.

## **2.5 Developer, Owner, or Operator Information Required to Enable Evaluation of Qualifications**

The following information must be submitted with respect to any proposed developer(s), owner(s), or operator(s) of an Order 1000 Project:

- (i) the identity of any proposed developer(s), owner(s), or operator(s);
- (ii) the current and expected capabilities, as applicable, of any proposed developer(s), owner(s), or operator(s) to finance, plan, design, develop, and construct transmission facilities on a timely basis and to own, reliably operate, and maintain such project for the life of such project;
- (iii) the current and expected capabilities, as applicable, of any proposed developer(s), owner(s), or operator(s) to adhere to construction, maintenance, and operating practices consistent with Good Utility Practices with respect to transmission facilities; and
- (iv) the creditworthiness of any Person proposed as developer(s), owner(s), or operator(s), as demonstrated for example by (a) an investment grade credit rating, (b) having a minimum tangible net worth of \$1 million or total assets of \$10 million, or (c) providing a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to ColumbiaGrid.

No Order 1000 Party shall be designated under this Order 1000 Agreement as the proposed developer, owner, or operator under this section 2.5 without such Order 1000 Party's consent. The requirement for any information listed above may be satisfied by reliance on relevant experience of third-party contractors; *provided however that* any third-party contractors to be relied upon must be specifically identified and ColumbiaGrid must be provided sufficient information regarding such third-party contractors to allow ColumbiaGrid to fully review and evaluate the relevant qualifications of such third-party contractors.

To the extent the information specified by this section 2.5 is submitted in writing to ColumbiaGrid with regard to any proposed developer, owner, or operator, ColumbiaGrid will, within 60 days of its receipt of all information specified by this section 2.5 with regard to such proposed developer, owner, or operator, make a determination whether any such proposed developer, owner, or operator is qualified to be a developer, owner, or operator, as applicable, under this Order 1000 Agreement and shall notify in writing such proposed developer, owner, or operator and each Order 1000 Party of its determination. In the event that ColumbiaGrid

determines that any proposed developer, owner, or operator is not qualified under this section 2.5, ColumbiaGrid shall notify such proposed developer, owner, or operator of such determination and shall list in such notice the deficiencies of any proposed developer, owner, or operator under this section 2.5. Any proposed developer, owner, or operator that ColumbiaGrid determines is not qualified under this section 2.5 may attempt to cure any such deficiencies by providing ColumbiaGrid additional information.

Any proposed developer, owner, or operator that ColumbiaGrid determines is qualified under this section 2.5 may, with such developer's, owner's, or operator's consent, be identified as the developer, owner, or operator, as applicable, of any ITP, Order 1000 Proposed Project, Order 1000 Eligible Project, or Order 1000 Project. ColumbiaGrid may from time to time request additional information regarding any such developer, owner, or operator to verify such developer's, owner's, or operator's qualifications under this section 2.5. Failure to provide such information with respect to any developer, owner, or operator that is reasonably requested by ColumbiaGrid may result in the failure of any developer, owner, or operator to qualify under this section 2.5. ColumbiaGrid may determine that any developer, owner, or operator previously qualified under this section 2.5 no longer qualifies under this section 2.5 for cause by providing such developer, owner, or operator written notice that it does not qualify under this section 2.5 and setting forth the reasons for such determination. Any such disqualified developer, owner, or operator may attempt to cure its deficiencies by providing ColumbiaGrid additional information.

## **2.6 Information Required to Enable a ColumbiaGrid Study Team to Evaluate a Proposed Solution to an Order 1000 Need(s)**

An Order 1000 Enrolled Party or ITP Proponent must submit to ColumbiaGrid the following information with respect to a proposed solution to an Order 1000 Need(s) for which it is a proponent:

- (i) purpose of the proposed solution and the Order 1000 Need(s) that the proposed solution would address;
- (ii) development schedule for such solution, indicating required steps, such as granting of state, federal, and local approvals necessary to develop and construct the proposed solution so as to timely meet the Order 1000 Need(s);
- (iii) new substations and transmission lines that would be created with the proposed solution;
- (iv) the identity of proposed developer(s), owner(s), or operator(s), if any developer(s), owner(s), or operator(s) are proposed;
- (v) for solutions that are anticipated to be ITPs, identification of the Relevant Planning Region(s) where any new facilities are proposed to be interconnected to and identification of the transmission system(s) to which any new facilities would interconnect;
- (vi) voltage level(s) of the proposed facilities;

- (vii) mileages associated with any new or upgraded transmission lines;
- (viii) planned conductor to be used for any proposed new or upgraded transmission lines;
- (ix) proposed increase in transmission system transfer capability associated with the proposed solution;
- (x) ratings of individual transmission facility components (*e.g.*, lines and transformers);
- (xi) electrical parameters of the proposed solution components as necessary to model them accurately in power flow simulations (*e.g.*, resistance, reactance, charging, ratings, *etc.*);
- (xii) the amount of reactive (in MVAR) for any proposed reactive components;
- (xiii) if the proposed solution involves new generation, then the machine parameters necessary to model the new generator(s) accurately in power flow and stability simulations (*e.g.*, machine reactances, time constants, control system parameters, *etc.*);
- (xiv) a list of new contingencies that should be analyzed as a result of the proposed solution;
- (xv) cost estimates in as much detail as is available; and
- (xvi) technical studies and analysis, if performed, to support the proposed solution.

An Order 1000 Merchant Transmission Project that is proposed by an Order 1000 Party must submit comparable information (exclusive of items (i), (ii), and (xv)) to ColumbiaGrid with respect to transmission facilities it proposes to develop.

Staff shall give an Order 1000 Enrolled Party(ies) or ITP Proponent(s) that has submitted information listed above written notice describing any deficiencies in such information, and such Order 1000 Enrolled Party(ies) or ITP Proponent(s) shall have 30 days after receipt of such notice to cure such deficiencies. To ensure that a proposed solution is considered by a Study Team, such information, including any cure of deficiencies, must be submitted not later than 30 days after the issuance of the Final System Assessment Report for the Biennial Plan then being developed. To the extent that any required information regarding a proposed solution is submitted after the time for submitting such information specified in the preceding sentence, such proposed solution will be considered by the Study Team only insofar as, in ColumbiaGrid's sole discretion, such consideration is practicable.

Any Order 1000 Enrolled Party, ITP Proponent, or Person requesting consideration of impacts pursuant to section 2.7 of this Appendix A may submit any other studies and analysis performed to support the proposed transmission facilities.

ColumbiaGrid may from time to time request additional information regarding a proposed solution to an Order 1000 Need(s) from a proponent thereof.

## **2.7 Consideration of Impacts of Order 1000 Merchant Transmission Projects**

If any Person proposes to develop, own, or operate an Order 1000 Merchant Transmission Project, such Person may request in writing that ColumbiaGrid consider the impacts of such proposed Order 1000 Merchant Transmission Project pursuant to this section 2.7. Upon ColumbiaGrid's receipt of such request and the information required in section 2.6 of this Appendix A to be provided (exclusive of items (i), (ii), and (xv)), ColumbiaGrid will to the extent practicable consider the impacts of such Order 1000 Merchant Transmission Project on the facilities in the Order 1000 ColumbiaGrid Planning Region as part of its next system assessment under conditions studied in such system assessment. For purposes of section 4.7 of the body of this Order 1000 Agreement, any Person (other than an Order 1000 Party) requesting consideration of impacts pursuant to section 2.7 of this Appendix A shall be a Third Person.

## **3. System Assessment Report and Order 1000 Need Statements**

Each year, commencing 2015, ColumbiaGrid shall prepare Draft Order 1000 Need Statements and Order 1000 Need Statements and a Draft System Assessment Report and a Final System Assessment Report.

### **3.1 Order 1000 Needs Meeting**

During January of each year, but not later than March 31st of each year, Staff will hold an Order 1000 Needs Meeting, to which Interested Persons will be invited, and notice of such meeting will be posted on the Website. The purpose of such meeting will be to discuss Order 1000 Potential Needs that should be included in the upcoming system assessment.

Prior to such meeting, Interested Persons may submit written suggestions to ColumbiaGrid of items that should be considered for inclusion as Order 1000 Potential Need(s), including suggested Order 1000 Potential Need(s) that are driven by (i) reliability requirements, (ii) economic considerations, or (iii) Public Policy Requirements.

### **3.2 Order 1000 Need(s) for Draft System Assessment Report**

**3.2.1** ColumbiaGrid, in coordination with the Order 1000 Parties and Interested Persons, shall perform a system assessment and prepare a Draft System Assessment Report

- (i) to identify Order 1000 Need(s) by using screening studies of the Order 1000 ColumbiaGrid Planning Region and using the Order 1000 Planning Criteria and Order 1000 Needs Factors to identify, from the Order 1000 Potential Need(s), Order 1000 Need(s), if any, including Order 1000 Needs that are driven by (a) reliability

requirements, (b) economic considerations, or (c) Public Policy Requirements, projected to occur during the Planning Horizon; *provided that* Draft Order 1000 Need Statements need not be prepared for a Draft System Assessment Report for the second year of a Planning Cycle for any Order 1000 Need already identified in the previous System Assessment Report; and

- (ii) to reevaluate Order 1000 Projects included in prior Plans pursuant to section 3.3 of this Appendix A.

**3.2.2** ColumbiaGrid shall perform the system assessment and base such assessment on the then-current and appropriate WECC planning base cases; *provided that* Order 1000 Enrolled Parties shall provide updates to the input previously provided to ColumbiaGrid pursuant to sections 4.1 and 4.6 of the body of this Order 1000 Agreement; *provided further that* ColumbiaGrid shall insofar as practicable consider other information supplied by Order 1000 Enrolled Parties, customers of Order 1000 Enrolled Parties, other Interested Persons, and stakeholders. ColumbiaGrid shall insofar as practicable update the then-current WECC planning base case to reflect such updated information so that the system assessment reflects on-going projects and the likely completion dates of such projects to the extent such projects and completion dates are reasonably forecasted to occur prior to the end of the Planning Horizon.

**3.2.3** ColumbiaGrid shall post drafts of the system assessment results on the Website as they become available during the system assessment process subject to any appropriate conditions to protect Confidential Information and CEII.

**3.2.4** ColumbiaGrid, in coordination with the Order 1000 Parties and Interested Persons, shall apply the Order 1000 Needs Factors set forth in section 2.2 of this Appendix A to select Order 1000 Need(s) projected to occur during the Planning Horizon, shall develop conceptual transmission solutions that address any Order 1000 Need(s), and shall develop a Draft Order 1000 Need Statement for each such Order 1000 Need. Each such Draft Order 1000 Need Statement shall, at a minimum, include the following information:

- (i) a narrative description of the Order 1000 Need and the assumptions, applicable Order 1000 Planning Criteria, and methodology used to determine the Order 1000 Need;
- (ii) one or more conceptual transmission-based solutions to meet the Order 1000 Need with estimated timelines and estimated costs to implement each such solution; and
- (iii) an indication of whether a non-transmission solution might be viable to eliminate or delay the necessity for a transmission-based solution.

In the event that ColumbiaGrid and the Order 1000 Parties and Interested Persons participating in the system assessment do not reach consensus on the content of any Draft Order 1000 Need Statement, Staff shall determine the content of such Draft Order 1000 Need Statement; *provided that* in making its determination, Staff shall consider any comments and possible solutions

suggested by any Order 1000 Party, Interested Person, or stakeholders participating in the system assessment; *provided further that* ColumbiaGrid shall note in the Draft Order 1000 Need Statement that Staff determined the content of such statement and shall report the comments of Order 1000 Parties, Interested Persons, and stakeholders.

**3.2.5** ColumbiaGrid shall post drafts of the Draft Order 1000 Need Statements, as they become available, on the Website subject to any appropriate conditions to protect Confidential Information and CEII. Order 1000 Parties, Interested Persons, and stakeholders may submit written comments to ColumbiaGrid on the Draft Order 1000 Need Statements and ColumbiaGrid will insofar as practicable consider any such comments in preparing the final Order 1000 Need Statements. ColumbiaGrid shall present the Draft Order 1000 Need Statements to the Board for review and comment and shall incorporate any Board comments in the final Order 1000 Need Statements. ColumbiaGrid shall post, subject to any appropriate conditions to protect Confidential Information and CEII, Order 1000 Need Statements and documentation of the basis upon which Order 1000 Potential Need(s), including Order 1000 Potential Need(s) driven by Public Policy Requirements, were or were not selected as Order 1000 Need(s) on the Website.

### **3.3 Reevaluation of Order 1000 Project(s)**

Staff, in consultation with any identified developer, owner, or operator and any Order 1000 Beneficiary and ITP Proponent of an Order 1000 Project, shall in each system assessment reevaluate the most recent prior Plan, taken as a whole, to determine if changes in circumstances, including delays in the development of an Order 1000 Project included in such prior Plan, require evaluation of alternative transmission solutions, including those that the incumbent Order 1000 Enrolled Party proposes, so that the incumbent Order 1000 Enrolled Party as a transmission provider can meet its reliability needs or service obligations. Based on such reevaluation, Staff shall recommend removal of a project as an Order 1000 Project in the Plan if:

- (i) the Order 1000 Project would no longer qualify for selection as an Order 1000 Project;
- (ii) a project development schedule for the Order 1000 Project has not been submitted to ColumbiaGrid as required by item (ii) of section 2.6 of this Appendix A demonstrating that the Order 1000 Project will timely meet Order 1000 Need(s);
- (iii) the development of the Order 1000 Project is not progressing consistent with the project development schedule such that the Order 1000 Project will not timely meet Order 1000 Need(s);
- (iv) if all Order 1000 Parties that requested Order 1000 Cost Allocation for the Order 1000 Project have withdrawn their requests for Order 1000 Cost Allocation in accordance with section 5.2 of this Appendix A; or

- (v) the developer(s), owner(s), or operator(s) of the Order 1000 Project fail to provide information regarding the Order 1000 Project that is needed for the reevaluation pursuant to this section 3.3.

The Board shall make the final determination as to the removal of an Order 1000 Project from a Plan as an Order 1000 Project (and upon such removal any Order 1000 Cost Allocation associated with such Order 1000 Project will be vacated).

In the event that an Order 1000 Project is removed from a Plan, an Order 1000 Enrolled Party may propose solutions that it would implement within its retail distribution service territory or footprint, if any evaluation of alternatives is needed. If an Order 1000 Enrolled Party proposes transmission facilities as a proposed solution to Order 1000 Need(s), such proposed transmission facilities will be evaluated as a proposed solution in accordance with this Order 1000 Agreement.

### **3.4 Draft System Assessment Report**

ColumbiaGrid, in coordination with Order 1000 Parties and Interested Persons, shall prepare a Draft System Assessment Report. Such Draft System Assessment Report shall reflect Order 1000 Needs identified in the Order 1000 Need Statement(s) that are projected to occur during the Planning Horizon.

During the development of the Draft System Assessment Report, each Order 1000 Party shall endeavor to inform Staff of any material change in conditions (anticipated to occur during the Planning Horizon) with respect to such Order 1000 Party of which it is aware affecting any Order 1000 Need(s) under consideration in the Draft System Assessment Report. ColumbiaGrid shall insofar as practicable take into account any such updates in its Draft System Assessment Report.

ColumbiaGrid shall post for comment on the Website, subject to any appropriate conditions to protect Confidential Information and CEII, the Draft System Assessment Report. Staff will consider any comments submitted by stakeholders within 15 days of the posting and prior to the submission to the Board will consider any revisions to the Draft System Assessment Report that should be made as a result of such comments. Staff will present the Draft System Assessment Report, including the Order 1000 Need Statements, to the Board for review and comment.

### **3.5 Final System Assessment Report**

ColumbiaGrid will incorporate in the Final System Assessment Report the comments of the Board on the Draft System Assessment Report. ColumbiaGrid shall post on the Website, subject to any appropriate conditions to protect Confidential Information and CEII, the Final System Assessment Report.

## **4. Study Teams**

ColumbiaGrid shall endeavor to post on the Website, not later than ten business days prior to any meeting of a Study Team, information regarding any potential solutions to address any Order 1000 Need(s) to be discussed at such meeting.

### **4.1 Formation of Study Teams**

Unless assigned to an existing Study Team, ColumbiaGrid shall form Study Team(s) to develop a plan(s) of service to address Order 1000 Need(s), including plan(s) of service for Order 1000 Proposed Staff Solutions. When such Study Teams have been formed, ColumbiaGrid shall give notice to those Order 1000 Parties and Interested Persons that ColumbiaGrid anticipates will be materially affected.

Staff shall hold a public meeting, with general notice to Order 1000 Parties and Relevant State and Provincial Agencies and other Interested Persons and specific notice to those Order 1000 Parties and Interested Persons that ColumbiaGrid anticipates may be materially affected, for the purpose of reviewing each Order 1000 Need Statement and soliciting participation in a Study Team to address each Order 1000 Need. Staff shall also consider convening Study Teams that address more than one Order 1000 Need. Staff shall monitor the progress of each Study Team and will, as appropriate, bring Study Teams together (including Study Teams formed under the PEFA) in order to resolve differences, gain efficiencies or effectiveness, or develop solutions that meet more than one Order 1000 Need.

### **4.2 Participation in Study Teams**

**4.2.1** ColumbiaGrid shall participate in each Study Team and, as needed, manage and facilitate the Study Team process. ColumbiaGrid shall endeavor to post on the Website, not later than ten business days prior to any meeting of a Study Team, information regarding Order 1000 Need(s) and potential solutions to be discussed at such meeting. ColumbiaGrid shall post on the Website, subject to any appropriate conditions to protect Confidential Information and CEII, drafts of summaries of the progress of the Study Teams, including the development of any proposed solutions to address any Order 1000 Need(s). If the Study Team determines that an Order 1000 Party that is not participating in the Study Team may be materially affected by the proposed solution to an Order 1000 Need(s) being developed by such Study Team, ColumbiaGrid shall so notify such Order 1000 Party, and such Order 1000 Party shall participate in the Study Team.

**4.2.2** Any Order 1000 Party, Order 1000 Affected Person, Relevant State and Provincial Agency, or other Interested Person may participate in a Study Team, except as such participation may be subject to restrictions in tariffs (*see, e.g.*, pro forma open access transmission tariff, sections 17.2 and 18.2) or applicable law. Order 1000 Party(ies) that are potentially materially affected by an Order 1000 Need(s) shall participate in the Study Team relating to such Order 1000 Need(s).

**4.2.3** With respect to the development by the Study Team of a proposed solution to an Order 1000 Need(s),

- (i) Order 1000 Enrolled Party(ies) with an Order 1000 Need(s) that is proposed to be met by an Order 1000 Proposed Staff Solution shall assume primary responsibility for leading and performing necessary analytical work for such solution in the Study Team; and
- (ii) Order 1000 Enrolled Party(ies) (or ITP Proponent(s)) that is a proponent of a proposed solution other than an Order 1000 Proposed Staff Solution shall assume primary responsibility for leading and performing necessary analytical work for such solution in the Study Team; *provided that* each Order 1000 Enrolled Party(ies) with an Order 1000 Need(s) that is proposed to be met by such solution shall assume primary responsibility for assessing whether such solution satisfies its Order 1000 Need(s).

At such time that ColumbiaGrid determines that an Order 1000 Party or other Person that is not involved may be materially affected by the Order 1000 Proposed Project being developed, ColumbiaGrid shall so notify such Order 1000 Party or other Person. Any such Order 1000 Party so notified shall, and any such other Person may, participate in the Study Team.

### **4.3 Scope of Study Team Activities**

This section 4.3 describes the development by the Study Team of a plan(s) of service to address an Order 1000 Need(s). The proposed transmission facilities of an Order 1000 Transmission System(s) included in a plan of service that address an Order 1000 Need(s) are referred to in this Order 1000 Agreement as “Order 1000 Proposed Projects.”

The general objective of a Study Team shall be, with respect to any Order 1000 Need(s), to collaboratively and timely develop all required elements of a plan(s) of service to address Order 1000 Need(s) as provided in this section 4. In developing such plan(s) of service, a Study Team will evaluate any proposed solutions to an Order 1000 Need(s), including Order 1000 Non-Transmission Alternatives and conceptual solutions, that are:

- (i) reflected in the relevant System Assessment Report(s); or
- (ii) proposed by any Study Team participant to address such Order 1000 Need(s); *provided that* the information, including data, needed in order for the Study Team to evaluate such proposed solutions has been provided to ColumbiaGrid.

In performing its evaluation, the Study Team shall assess the ability of any proposed solution to address an Order 1000 Need(s) considering the factors as described in section 2.3 of this Appendix A, including assessment of any Order 1000 Material Adverse Impact of such proposed solution on any transmission system and the mitigation thereof. In addition, the Study Team shall assess whether there is a solution that is a more efficient or cost-effective alternative, applying such factors, to address Order 1000 Need(s). Taking such assessments into account, the Study Team shall attempt to reach agreement on all of the elements of a plan(s) of service to meet the Order 1000 Need(s).

In the event that the Study Team does not reach consensus on all of the elements of a plan(s) of service, Staff shall determine all of the elements, upon which the Study Team did not reach consensus, of a plan(s) of service to meet Order 1000 Need(s); *provided that* in making its determination, Staff shall consider any comments by any Order 1000 Party or Interested Person; *provided further that* ColumbiaGrid shall in the final Study Team Report note which of the elements of the plan(s) of service it determined and shall note the comments of Order 1000 Parties and Interested Persons. In making such determination, Staff shall assess the ability of any proposed solution to address an Order 1000 Need(s) considering the factors as described in section 2.3 of this Appendix A, including assessment of any Order 1000 Material Adverse Impact of such proposed solution on any transmission system and the mitigation thereof.

#### **4.4 Order 1000 Proposed Staff Solutions and Their Development by Study Teams**

Staff, in consultation with the Study Team and Interested Persons, will review each plan of service that is included in a final Study Team report and assess whether Order 1000 Needs, when taken together, can be met by any more efficient or cost-effective transmission solution. If any such transmission solution is identified as a result of such assessment as a more efficient or cost-effective solution to an Order 1000 Need(s) (“Order 1000 Proposed Staff Solution”), Staff will develop information regarding such transmission solution that is comparable to the information that is to be provided pursuant to section 2.6 of this Appendix A. However, such data will not include any assumption regarding the identity of the sponsor, developer, owner, or operator of any facilities of such transmission solution. A plan of service for any Order 1000 Proposed Staff Solution will be developed by a Study Team (or by Staff in the absence of consensus) as described in section 4.3 of Appendix A, and the transmission facilities included in such plan of service may be an Order 1000 Proposed Project.

### **5. Identification of Order 1000 Proposed Projects and Order 1000 Eligible Projects and Selection of Order 1000 Projects**

#### **5.1 Identification of Order 1000 Proposed Projects and Order 1000 Eligible Projects**

Not later than 30 days after the issuance of a final Study Team report (including any final Study Team report with respect to a plan of service for an Order 1000 Proposed Staff Solution), an Order 1000 Enrolled Party or ITP Proponent may request that Staff identify any Order 1000 Eligible Project(s) included therein. Any such request shall be submitted in writing to ColumbiaGrid. Upon receipt of any such request, Staff, in consultation with Interested Persons, will

- (i) review the plan of service that is included in such final Study Team report and identify any Order 1000 Proposed Projects included therein that are either (a) intraregional (*i.e.*, located within the Order 1000 ColumbiaGrid Planning Region), or (b) an ITP; and
- (ii) identify from among the Order 1000 Proposed Project(s) included in such final Study Team report any Order 1000 Proposed

Project(s) that is a more efficient or cost-effective solution to an Order 1000 Need(s).

Any Order 1000 Proposed Project so identified pursuant to item (ii) above is an “Order 1000 Eligible Project.” An Order 1000 Eligible Project is eligible for consideration to be selected as an Order 1000 Project. An Order 1000 Eligible Project may qualify for and receive an Order 1000 Cost Allocation only if (1) such Order 1000 Eligible Project is selected as an Order 1000 Project in accordance with section 5.3 of this Appendix A; and (2) if the Order 1000 Eligible Project is an ITP, the Order 1000 Enrolled Party or ITP Proponent that is the proponent of such ITP also requests Interregional Cost Allocation for such Order 1000 Eligible Project.

For each request, Staff shall prepare and post on the Website, subject to any appropriate conditions to protect Confidential Information and CEII, a description of any Order 1000 Eligible Project(s), and, with respect to any Order 1000 Proposed Project that was not selected as an Order 1000 Eligible Project, an explanation of why such Order 1000 Proposed Project was not selected as an Order 1000 Eligible Project.

## **5.2 Timely Request for Order 1000 Cost Allocation**

Not later than 60 days after ColumbiaGrid has posted a description of any Order 1000 Eligible Project(s) pursuant to section 5.1 of this Appendix A on the Website, an Order 1000 Enrolled Party(ies) or ITP Proponent(s) may request Order 1000 Cost Allocation for any such Order 1000 Eligible Project(s) for which such Order 1000 Enrolled Party(ies) or ITP Proponent(s) is a proponent; *provided that* an ITP Proponent may request an Order 1000 Cost Allocation for an Order 1000 Project only if such project is an ITP and if such ITP Proponent is Enrolled in a Relevant Planning Region for such ITP. Not later than 60 days after ColumbiaGrid has posted a description of any Order 1000 Eligible Project(s) pursuant to section 5.1 of this Appendix A on the Website, an Order 1000 Enrolled Party(ies) or ITP Proponent(s) may request Order 1000 Cost Allocation for any such Order 1000 Eligible Project(s) that is an Order 1000 Proposed Staff Solution; *provided that* an ITP Proponent(s) may request an Order 1000 Cost Allocation for an Order 1000 Project only if such project is an ITP and if such ITP Proponent(s) is Enrolled in a Relevant Planning Region for such ITP. Any request for an Order 1000 Cost Allocation for an Order 1000 Eligible Project shall be submitted in writing to ColumbiaGrid. ColumbiaGrid shall post all such requests on the Website, and distribute copies of such requests to all Order 1000 Parties and participants in the Study Team that developed the Order 1000 Eligible Project. Any request for Order 1000 Cost Allocation for an Order 1000 Eligible Project submitted after the applicable foregoing deadline is not timely and will not be considered. A request for Order 1000 Cost Allocation for an Order 1000 Eligible Project that is an ITP must include a request for Interregional Cost Allocation for such ITP in accordance with sections 7.5.1 and 8.4 of this Appendix A. An Order 1000 Cost Allocation for an Order 1000 Eligible Project may not be requested pursuant to this section 5.2 if an Order 1000 Cost Allocation has been previously requested pursuant to this section 5.2 for such Order 1000 Eligible Project and such request has not been withdrawn.

An Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requests Order 1000 Cost Allocation for an Order 1000 Eligible Project in accordance with this section 5.2 may withdraw its request for such Order 1000 Cost Allocation at any time (including after such Order 1000

Eligible Project has been selected by ColumbiaGrid as an Order 1000 Project). Such request may be withdrawn by submitting notice of withdrawal of such request to ColumbiaGrid in writing. In the event that more than one Order 1000 Enrolled Party or ITP Proponent has requested Order 1000 Cost Allocation for an Order 1000 Eligible Project, and it is an Order 1000 Project, so long as at least one such party's request has not been withdrawn, and if no agreement on implementation has been reached in accordance with section 5.4 of this Appendix A, ColumbiaGrid shall apply the Order 1000 Cost Allocation Methodology to such Order 1000 Project in accordance with section 6 of this Appendix A.

For an Order 1000 Project that receives an Order 1000 Cost Allocation prior to the identification of its owner(s) or operator(s), such Order 1000 Cost Allocation will be re-performed if and at such time as the owner(s) or operator(s) of the transmission facilities comprising such project are identified and any Order 1000 Enrolled Party(ies) or ITP Proponent(s) requests such reperformance. Upon such reperformance, any prior Order 1000 Cost Allocation with respect to such Order 1000 Project shall be vacated.

### **5.3 Selection as Order 1000 Project**

For each Order 1000 Eligible Project for which Order 1000 Cost Allocation has been timely requested pursuant to section 5.2 of this Appendix A, the Board shall, in an open, public process (subject to any appropriate conditions to protect Confidential Information and CEII), review such Order 1000 Eligible Project and either (i) confirm that such Order 1000 Eligible Project is a more efficient or cost-effective solution to meet an Order 1000 Need(s) and post such confirmation on the Website or (ii) document and post on the Website its reasons for not confirming that such Order 1000 Eligible Project is the more efficient or cost-effective solution to meet an Order 1000 Need(s). In determining whether or not to so confirm an Order 1000 Eligible Project, the Board shall consider the factors as described in section 2.3 of this Appendix A, including assessment of any Order 1000 Material Adverse Impact of such proposed solution on any transmission system and the mitigation thereof. An Order 1000 Eligible Project that the Board confirms is a more efficient or cost-effective solution in accordance with this section 5.3 is an Order 1000 Eligible Project that has been selected as an "Order 1000 Project". Each such Order 1000 Eligible Project is an "Order 1000 Project" under this Order 1000 Agreement, unless or until such time as (a) all Order 1000 Parties that timely requested Order 1000 Cost Allocation for such Order 1000 Eligible Project have withdrawn such requests in accordance with section 5.2 of this Appendix A, (b) the Benefit to Cost Ratio for such project is determined pursuant to section 6.3.2 of this Appendix A to be less than 1.25, (c) an agreement on implementation of such project is reached in accordance with section 5.4 of this Appendix A or section 6.4 of this Appendix A, or (d) such project is removed from a Plan as an Order 1000 Project pursuant to sections 3.3 and 11.4.1 of this Appendix A.

All requests for Order 1000 Cost Allocation for an Order 1000 Eligible Project that is not selected by ColumbiaGrid as an Order 1000 Project shall be deemed withdrawn. All requests for Order 1000 Cost Allocation for an Order 1000 Eligible Project that is selected by ColumbiaGrid as an Order 1000 Project but for which the Benefit to Cost Ratio for such Order 1000 Project is determined pursuant to section 6.3.2 of this Appendix A to be less than 1.25 shall be deemed withdrawn. For the avoidance of doubt, in no event shall ColumbiaGrid perform an Order 1000 Cost Allocation for any project, including any Order 1000 Eligible Project, unless and until

ColumbiaGrid selects such project as an Order 1000 Project and, to the extent that an Order 1000 Cost Allocation is performed for an Order 1000 Project and the requests for Order 1000 Cost Allocation for such Order 1000 Project are subsequently withdrawn or are deemed withdrawn, such Order 1000 Cost Allocation will be vacated.

#### **5.4 Negotiation Period for Implementation of an Order 1000 Project**

After ColumbiaGrid has selected an Order 1000 Eligible Project as an Order 1000 Project in accordance with section 5.3 of this Appendix A, ColumbiaGrid shall allow six full calendar months (“Negotiation Period”) for Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requested the Order 1000 Cost Allocation with respect to such Order 1000 Project and all Order 1000 Affected Persons with respect to such Order 1000 Project to reach agreement on implementation of such Order 1000 Project, including responsibility for the funding of such Order 1000 Project. ColumbiaGrid shall allow additional time (“Extended Negotiation Period”) for Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requested such Order 1000 Cost Allocation and all such Order 1000 Affected Persons to reach agreement on implementation of such Order 1000 Project, including responsibility for the funding of such Order 1000 Project, if such Extended Negotiation Period is requested by all such Order 1000 Party(ies) or ITP Proponent(s) and by all such Order 1000 Affected Persons.

#### **6. Application of Order 1000 Cost Allocation Methodology**

ColumbiaGrid shall perform a Preliminary Cost Allocation by applying the Order 1000 Cost Allocation Methodology to an Order 1000 Project in accordance with this section 6, unless (i) the Order 1000 Party(ies) requesting Order 1000 Cost Allocation for an Order 1000 Project has withdrawn its request (or such request is deemed withdrawn) for Order 1000 Cost Allocation, or (ii) agreement has been reached on implementation of such Order 1000 Project pursuant to section 5.4 of this Appendix A. If a Negotiation Period or Extended Negotiation Period is requested for an Order 1000 Project in accordance with section 5.4 of this Appendix A, ColumbiaGrid will not apply the Order 1000 Cost Allocation Methodology to such Order 1000 Project until such time as the requested Negotiation Period and, if applicable, Extended Negotiation Period have expired and no agreement on implementation for the Order 1000 Project has been reached.

For purposes of applying the Order 1000 Cost Allocation Methodology to an Order 1000 Project, ColumbiaGrid shall identify pursuant to section 6.1 of this Appendix A projected costs of such Order 1000 Project and, pursuant to section 6.2 of this Appendix A, identify Order 1000 Benefits and Order 1000 Beneficiaries (and deemed Order 1000 Benefits and Order 1000 Beneficiaries as applicable), and apply the Order 1000 Cost Allocation Methodology to such Order 1000 Project as follows:

- (a) Pursuant to section 6.3 of this Appendix A, Staff shall perform a Preliminary Cost Allocation, under which any Order 1000 Beneficiary(ies) is deemed to include any Governmental Non-Enrolled Party(ies) and Order 1000 Benefits are deemed to include benefits calculated pursuant to section 1.31 of the body of this Order 1000 Agreement and section 6.2.2 of this Appendix A for each Governmental Non-Enrolled Party as if it were an Order 1000 Enrolled Party.

- (b) If written agreement following item (a) above on Order 1000 Project implementation, including responsibilities for funding such project, is not reached in accordance with section 6.4 of this Appendix A, Staff shall reperform, pursuant to section 6.3 of this Appendix A, a Preliminary Cost Allocation, under which Order 1000 Enrolled Party(ies) are the only Order 1000 Beneficiaries. As necessary, the performance of the Preliminary Cost Allocation, pursuant to this item (b), shall be reperformed if an Order 1000 Enrolled Party withdraws (or is deemed to withdraw) from this Order 1000 Agreement pursuant to section 13 of the body of this Order 1000 Agreement prior to the approval by the Board, pursuant to section 11 of Appendix A, of the Order 1000 Cost Allocation for such Order 1000 Project.

## **6.1 Order 1000 Project Costs**

ColumbiaGrid shall project the capital costs of each Order 1000 Project (including the capital costs of transmission facilities that are required to mitigate Order 1000 Material Adverse Impacts (if such facilities are within the Order 1000 ColumbiaGrid Planning Region and, subject to the next paragraph, if such facilities are outside the Order 1000 ColumbiaGrid Planning Region) due to such Order 1000 Project) for which it is to apply the Order 1000 Cost Allocation Methodology. Such projection may be based on information provided by the Order 1000 Project developer(s), owner(s), or operator(s); the Study Team; or ColumbiaGrid. In developing such projection, ColumbiaGrid may also seek the input of Third Persons. ColumbiaGrid shall document the basis for its projection and make supporting information available to the extent practicable consistent with any applicable confidentiality and CEII requirements.

For purposes of Order 1000 Cost Allocation, the projected costs of any Order 1000 Project (other than an ITP) will include the projected costs required as a result of such project, if any, (i) that relate to transmission facilities outside the Order 1000 ColumbiaGrid Planning Region and (ii) that all Order 1000 Beneficiaries of such Order 1000 Project agree, in writing, to bear.

For purposes of Interregional Cost Allocation, the projected costs of any ITP for which the Order 1000 ColumbiaGrid Planning Region is a Relevant Planning Region will include the projected costs required as a result of such ITP, if any, (a) that relate to transmission facilities outside any Relevant Planning Region and (b) that all transmission providers in the Relevant Planning Regions that are beneficiaries of such ITP agree, in writing with all other such beneficiaries, to bear.

## **6.2 Order 1000 Benefits and Beneficiaries**

ColumbiaGrid shall identify any Order 1000 Beneficiaries and project the Order 1000 Benefits of each such beneficiary projected as a direct result of each Order 1000 Project for which it is to apply the Order 1000 Cost Allocation Methodology.

**6.2.1 Analytical Tools and Methodologies for Projecting Order 1000 Benefits.** Analysis to project Order 1000 Benefits of an Order 1000 Beneficiary for an Order 1000 Project will include the following:

- (i) Tools for determining Order 1000 Benefits as described in items (i) and (ii)(a) of section 1.31 of the body of this Order 1000 Agreement are as follows: Power flow and stability studies will be used to project the changes in transmission capacity on an Order 1000 Beneficiary's Order 1000 Transmission System due to an Order 1000 Project and the resulting extent, if any, to which any Order 1000 Beneficiary of such project would avoid costs due to elimination or deferral of planned transmission facility additions through changes in facility loading, transient stability, or voltage performance; and
- (ii) Tools and methodologies for determining Order 1000 Benefits as described in item (ii)(b) of section 1.31 of the body of this Order 1000 Agreement are as follows:
  - (a) Power flow and stability studies will be used to project changes, if any, to transfer capability (through changes in facility loading, transient stability, or voltage performance) on transmission paths or flowgates that (1) include facilities of an Order 1000 Beneficiary and (2) have increased transfer capability as a result of the Order 1000 Project;
  - (b) Projected changes, if any, of potential usability of transmission paths or flowgates that (1) include facilities of an Order 1000 Beneficiary and (2) have increased transfer capability as a result of the Order 1000 Project resulting from the changes in transfer capability projected pursuant to item (a) above will be assessed using production cost studies (existing or new);
  - (c) Any transmission queue, precedent transmission service agreements, and other evidence of customers' commitment to take service from such Order 1000 Beneficiary will be reviewed to project any expected subscriptions for increased transfer capability on such Order 1000 Beneficiary's Order 1000 Transmission System projected to result from such Order 1000 Project;
  - (d) Such Order 1000 Beneficiary shall, in consultation with Staff, project its share of increased transfer capability on any transmissions paths or flowgates determined pursuant to item (b) above and calculate such Order 1000 Beneficiary's projected increase in Available Transfer Capability ("ATC") or Available Flowgate Capability ("AFC"), as applicable, projected to result from its share of such increased transfer capability; and

- (e) Taking into account any subscriptions that are projected pursuant to item (c) above and such Order 1000 Beneficiary's projected increase, if any, in ATC or AFC projected pursuant to item (d) above, such Order 1000 Beneficiary shall, in consultation with Staff, project the amount of such projected increase in ATC or AFC that would be sold.

**6.2.2 Calculation of Order 1000 Benefits.** For purposes of calculating Order 1000 Benefits under item (i) of section 1.31 of the body of this Order 1000 Agreement,

- (i) the avoided costs of deferred transmission facilities will be the borrowing costs (*i.e.*, interest costs) projected to be avoided during the Planning Horizon as a result of the deferral of the capital investment of such deferred facilities (rather than the capital costs themselves of such facilities) plus the incremental operations and maintenance costs of such deferred facilities projected to be avoided during the Planning Horizon; and
- (ii) the avoided costs of eliminated transmission facilities during the Planning Horizon will be the portion of the projected avoided depreciation expense of such eliminated facilities that falls within the Planning Horizon plus the projected incremental operation and maintenance costs of such eliminated facilities avoided during the Planning Horizon (such projected avoided depreciation expense shall be determined using straight-line depreciation of the projected capital costs of such eliminated facilities over their depreciable lives).

For purposes of calculating Order 1000 Benefits under item (ii)(a) of section 1.31 of the body of this Order 1000 Agreement, the projected cost that each Order 1000 Beneficiary would, but for the Order 1000 Project, have otherwise incurred shall be:

- (a) the portion, falling within the Planning Horizon, of the projected depreciation expense of the transmission facilities that, in the absence of the Order 1000 Project, would have been incurred by such Order 1000 Beneficiary to achieve an increase in capacity on its Order 1000 Transmission System(s) equivalent to that resulting from such Order 1000 Project (such projected depreciation expense shall be determined using straight-line depreciation of the projected capital costs of such facilities over their depreciable lives); plus
- (b) the projected incremental operation and maintenance costs of such transmission facilities avoided by such Order 1000 Beneficiary during the Planning Horizon as a direct result of the Order 1000 Project.

Any increase in capacity of existing transmission facilities of an Order 1000 Transmission System of an Order 1000 Beneficiary identified in applying the Order 1000 Cost Allocation Methodology and that results from any Order 1000 Project shall be deemed to be owned by such Order 1000 Beneficiary unless otherwise agreed to in writing by such Order 1000 Beneficiary.

### 6.3 Cost Allocation Methodology

#### 6.3.1 Allocation of Projected Costs.

For purposes of application of the Order 1000 Cost Allocation Methodology to an Order 1000 Project, ColumbiaGrid shall allocate to each Order 1000 Beneficiary of such Order 1000 Project the product of the projected costs of such Order 1000 Project if such Order 1000 Project is not an ITP (or, if such Order 1000 Project is an ITP, the Total Regional Costs from Interregional Cost Allocation of such ITP), multiplied by a fraction, the numerator of which is equal to such beneficiary's Order 1000 Benefits and the denominator of which is equal to the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project.

Such allocation to each Order 1000 Beneficiary may be algebraically represented as follows:

Allocation to each Order 1000 Beneficiary for any Order 1000 Project that is not an ITP	=	The product of the projected costs of the Order 1000 Project x (such Order 1000 Beneficiary's Order 1000 Benefits / (the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project))
Allocation to each Order 1000 Beneficiary for any Order 1000 Project that is an ITP	=	(The product of the Total Regional Costs from Interregional Cost Allocation of such ITP) x ((such Order 1000 Beneficiary's Order 1000 Benefits) / (the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project))

#### 6.3.2 Determination and Application of Benefit to Cost Ratio.

For purposes of application of the Order 1000 Cost Allocation Methodology to an Order 1000 Project, ColumbiaGrid shall determine the Benefit to Cost Ratio for such project, which ratio shall be equal to the quotient of the following:

- (i) the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project determined in accordance with section 6.2.2 of this Appendix A, divided by
- (ii) the projected capital costs of such Order 1000 Project if it is not an ITP or the Total Regional Costs from Interregional Cost Allocation from such ITP if such Order 1000 Project is an ITP.

Such Benefit to Cost Ratio for such Order 1000 Project may be algebraically represented as follows:

Benefit to Cost Ratio for such Order 1000 Project	=	(The sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project) / (the projected capital costs of such Order 1000 Project if it is not an ITP or the Total Regional Costs from Interregional Cost Allocation from such ITP if such Order 1000 Project is an ITP)
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If the Benefit to Cost Ratio for an Order 1000 Project determined pursuant to this section 6.3.2 is not equal to or greater than 1.25, such Order 1000 Project shall, upon such determination, no longer be an Order 1000 Project and any Order 1000 Cost Allocation for such project shall be vacated.

**6.4 Preliminary Cost Allocation Report and Order 1000 Cost Allocation Report**

In conjunction with Staff’s application of the Order 1000 Cost Allocation Methodology as contemplated in items (a) and (b) of the second paragraph of section 6 of this Appendix A, as applicable, Staff shall document in a draft Preliminary Cost Allocation Report the results of Staff’s determination of the Benefit to Cost Ratio and, if any, the application of the Order 1000 Cost Allocation Methodology to such Order 1000 Project, including (i) the identified Order 1000 Benefits and an explanation of such Order 1000 Benefits with respect to such Order 1000 Project, and (ii) the identified Order 1000 Beneficiaries of such Order 1000 Project.

Subject to any appropriate conditions to protect Confidential Information and CEII, Staff shall provide its draft Preliminary Cost Allocation Report with respect to such Order 1000 Project to the Order 1000 Parties, any Order 1000 Beneficiaries identified in such draft report, the Study Team that developed such Order 1000 Project, and any Interested Person who requests such report, and shall provide an opportunity for written comment for a period of 30 days following the issuance of such draft report. Staff shall evaluate any written comments and reflect them in a Preliminary Cost Allocation Report as follows:

- (a) to the extent Staff agrees with any revisions proposed by any Order 1000 Party, Order 1000 Beneficiary, Study Team participant, or Interested Person, Staff shall reflect such revisions in the Preliminary Cost Allocation Report; and
- (b) to the extent Staff disagrees with any revisions proposed by any Order 1000 Party, Order 1000 Beneficiary, Study Team participant, or Interested Person, Staff shall summarize the proposed revisions and document the reason why Staff did not accept the proposed revisions in the Preliminary Cost Allocation Report.

After Staff has applied the Order 1000 Cost Allocation Methodology pursuant to item (a) of the second paragraph of section 6 of this Appendix A and prepared the associated Preliminary Cost Allocation Report with respect to an Order 1000 Project for which there are one or more Governmental Non-Enrolled Party(ies) included in the Preliminary Cost Allocation, ColumbiaGrid shall allow sixty days (and additional time, not to exceed 180 days, if and to the extent requested by all such Governmental Non-Enrolled Party(ies), all Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requested Order 1000 Cost Allocation for such Order 1000 Project, all Order 1000 Beneficiaries, and all other Order 1000 Affected Persons with respect to such Order 1000 Project) for all such Governmental Non-Enrolled Party(ies), Order 1000 Enrolled Party(ies) or ITP Proponent(s), all Order 1000 Beneficiaries, and all other Order 1000 Affected Persons to reach written agreement on Order 1000 Project implementation, including responsibility for the funding of such Order 1000 Project. If no such written agreement is reached pursuant to this paragraph, Staff shall apply the Order 1000 Cost Allocation Methodology pursuant to item (b) of the second paragraph of section 6 of this Appendix A.

After Staff has, if necessary, applied the Order 1000 Cost Allocation Methodology pursuant to item (b) of the second paragraph of section 6 of this Appendix A and prepared the associated Preliminary Cost Allocation Report with respect to an Order 1000 Project, ColumbiaGrid shall allow time not to exceed 180 days (if and to the extent requested by all Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requested Order 1000 Cost Allocation for such Order 1000 Project, all Order 1000 Beneficiaries, and all other Order 1000 Affected Persons with respect to such Order 1000 Project) for all Order 1000 Enrolled Party(ies) or ITP Proponent(s), all Order 1000 Beneficiaries, and all other Order 1000 Affected Persons to reach written agreement on Order 1000 Project implementation, including responsibility for the funding of such Order 1000 Project.

If a written agreement on implementation of an Order 1000 Project is reached in accordance with this section 6.4, (i) any Order 1000 Enrolled Party(ies) and Governmental Non-Enrolled Party(ies) that entered into such agreement shall promptly provide written notice of such agreement to ColumbiaGrid, (ii) the Preliminary Cost Allocation Report for such Order 1000 Project will not be included in the Draft Plan, and (iii) Staff will indicate in the Draft Plan that an agreement on implementation has been reached for such Order 1000 Project. If such an agreement on implementation of an Order 1000 Project is not reached in accordance with this section 6.4, the Staff shall include the Preliminary Cost Allocation Report (reflecting the Preliminary Cost Allocation pursuant to item (a) of the second paragraph of section 6 of this Appendix A as it may have been revised pursuant to item (b) of the second paragraph of section 6 of this Appendix A) in the Draft Plan.

The final Order 1000 Cost Allocation Report shall be the Preliminary Cost Allocation Report as approved by the Board and included in the Plan in accordance with section 11 of this Appendix A.

## **7. Order 1000 ITPs and Interregional Cost Allocation**

This section 7 sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order 1000 interregional provisions. Nothing in this section 7 will preclude any transmission owner or transmission provider from

taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

Any Interregional Cost Allocation regarding any ITP is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region.

**7.1 *This section left intentionally blank***

**7.2 Annual Interregional Information Exchange**

Annually, prior to the Annual Interregional Coordination Meeting, ColumbiaGrid shall make available by posting on the Website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in ColumbiaGrid's transmission planning region and potential solutions thereto:

- (i) study plan or underlying information that would typically be included in a study plan, such as:
  - (a) identification of base cases;
  - (b) planning study assumptions; and
  - (c) study methodologies;
- (ii) initial study reports (or system assessments); and
- (iii) regional transmission plan

(collectively referred to as "Annual Interregional Information").

ColumbiaGrid shall post its Annual Interregional Information on the Website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process ColumbiaGrid's Annual Interregional Information.

ColumbiaGrid may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

ColumbiaGrid is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by ColumbiaGrid in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if ColumbiaGrid reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by ColumbiaGrid shall be subject to applicable confidentiality

and CEII restrictions and other applicable laws, under ColumbiaGrid’s regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by ColumbiaGrid shall be “AS IS” and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of ColumbiaGrid or any Order 1000 Party, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

### **7.3 Annual Interregional Coordination Meeting**

ColumbiaGrid shall participate in an Annual Interregional Coordination Meeting with the other Planning Regions. ColumbiaGrid shall host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31st. The Annual Interregional Coordination Meeting is to be open to stakeholders. ColumbiaGrid shall provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

- (i) each Planning Region’s most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);
- (ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more efficiently or cost effectively; and
- (iii) updates of the status of ITPs being evaluated or previously included in ColumbiaGrid’s regional transmission plan.

### **7.4 ITP Joint Evaluation Process**

#### **7.4.1 Submission Requirements**

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to section 7.4.2 of this Appendix A by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region’s regional transmission planning process and no later than March 31 of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region’s regional transmission planning process. In addition to satisfying each Relevant Planning Region’s information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

## **7.4.2 Joint Evaluation of an ITP**

For each ITP that meets the requirements of section 7.4.1 of this Appendix A, ColumbiaGrid (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with section 7.4.1 of this Appendix A or the immediately following calendar year. With respect to any such ITP, ColumbiaGrid (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

- (i) ITP data and projected ITP costs; and
- (ii) the study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of section 7.4.1 of this Appendix A, ColumbiaGrid (if it is a Relevant Planning Region):

- (a) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect ColumbiaGrid's evaluation of the ITP;
- (b) is to provide stakeholders an opportunity to participate in ColumbiaGrid's activities under this section 7.4.2 in accordance with its regional transmission planning process;
- (c) is to notify the other Relevant Planning Regions if ColumbiaGrid determines that the ITP will not meet any of its regional transmission needs; thereafter ColumbiaGrid has no obligation under this section 7.4.2 to participate in the joint evaluation of the ITP; and
- (d) is to determine under its regional transmission planning process if such ITP is a more efficient or cost effective solution to one or more of ColumbiaGrid's regional transmission needs.

## **7.5 Interregional Cost Allocation Process**

### **7.5.1 Submission Requirements**

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with section 7.4.1 of this Appendix A, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from ColumbiaGrid and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

### 7.5.2 Interregional Cost Allocation Process

For each ITP that meets the requirements of section 7.5.1 of this Appendix A, ColumbiaGrid (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

- (i) assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;
- (ii) ColumbiaGrid's regional benefits stated in dollars resulting from the ITP, if any; and
- (iii) assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to section 7.6.2 of this Appendix A below) to each Relevant Planning Region using the methodology described in this section 7.5.2.

For each ITP that meets the requirements of section 7.5.1 of this Appendix A, ColumbiaGrid (if it is a Relevant Planning Region):

- (a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect ColumbiaGrid's analysis;
- (b) is to provide stakeholders an opportunity to participate in ColumbiaGrid's activities under this section 7.5.2 in accordance with its regional transmission planning process;
- (c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in ColumbiaGrid, ColumbiaGrid shall use its regional cost allocation methodology, as applied to ITPs;
- (d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;
- (e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; ColumbiaGrid may use such information to identify its total share of the projected costs of the ITP to be assigned to ColumbiaGrid in order to determine whether the ITP is a more efficient or cost effective solution to a transmission need in ColumbiaGrid;

- (f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and
- (g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this section 7.5.2 in the same general time frame as its joint evaluation activities pursuant to section 7.4.2 of this Appendix A.

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

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

If ColumbiaGrid (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, ColumbiaGrid shall apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under section 7.5.2(d) or 7.5.2(e) of this Appendix A above in accordance with its regional cost allocation methodology, as applied to ITPs.

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

If ColumbiaGrid (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, ColumbiaGrid shall evaluate (or reevaluate, as the case may be) pursuant to sections 7.5.2(d), 7.5.2(e), and 7.5.2(f) of this Appendix A above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes of Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of ColumbiaGrid and at least one other Relevant Planning Region, ColumbiaGrid shall apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under section 7.5.2(d) or 7.5.2(e) of this Appendix A above in accordance with its regional cost allocation methodology, as applied to ITPs.

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

This section 8 shall only apply to ITPs for which ColumbiaGrid is a Relevant Planning Region and shall not apply to any ITP for which ColumbiaGrid is not a Relevant Planning Region.

ColumbiaGrid shall provide notice of the Annual Interregional Coordination Meeting to its Interested Persons List and post notice of the Annual Interregional Coordination Meeting on the Website.

## **8.1 Order 1000 Parties That May Submit an ITP for Joint Evaluation**

Any Person that seeks to submit an ITP for joint evaluation pursuant to section 7.4 of this Appendix A or seeks to request Interregional Cost Allocation pursuant to section 7.5 of this Appendix A must either be an ITP Proponent that is a proponent of such ITP and that is Enrolled in a Relevant Planning Region (other than the Order 1000 ColumbiaGrid Planning Region) for such ITP or an Order 1000 Enrolled Party that is a proponent of such ITP.

## **8.2 Submission for Joint Evaluation**

Submission of an ITP into the ColumbiaGrid regional transmission planning process in accordance with section 7.4.1 of this Appendix A is to be accomplished as set forth in this section 8.2.

An ITP Proponent that is a proponent of an ITP and that is Enrolled in a Relevant Planning Region (other than the Order 1000 ColumbiaGrid Planning Region) for such ITP or an Order 1000 Enrolled Party that is a proponent of an ITP may seek to have such ITP evaluated in the Order 1000 ColumbiaGrid Planning Region pursuant to section 7.4.2 of this Appendix A by submitting a written request for such evaluation to ColumbiaGrid; *provided that* ColumbiaGrid shall deem such written request properly submitted to ColumbiaGrid only if, and at such time as, ColumbiaGrid receives the written request: (i) such written request specifically references section 7.4 of this Appendix A, and (ii) such written request includes a list of all other Relevant Planning Regions to which the ITP is being submitted for joint evaluation.

ColumbiaGrid shall seek to confirm with each other Relevant Planning Region that such Order 1000 Enrolled Party or ITP Proponent has submitted such ITP for evaluation into the regional transmission planning process of each other Relevant Planning Region in accordance with the regional transmission planning process of such Relevant Planning Region(s). In the event that ColumbiaGrid is unable to confirm that the Order 1000 Enrolled Party or ITP Proponent has submitted its ITP for evaluation into the regional transmission planning process of each other Relevant Planning Region in accordance with the regional transmission planning process of such Relevant Planning Region(s), ColumbiaGrid shall notify the Order 1000 Enrolled Party or ITP Proponent in writing, and the Order 1000 Enrolled Party or ITP Proponent shall have 30 days from the date of such notice to provide ColumbiaGrid evidence, reasonably acceptable to ColumbiaGrid, that the Order 1000 Enrolled Party or ITP Proponent has timely submitted its ITP for evaluation to each other Relevant Planning Region(s) as required by this section 8.2. If an Order 1000 Enrolled Party or ITP Proponent fails to provide such evidence, the Order 1000 Enrolled Party's or ITP Proponent's ITP shall be deemed withdrawn and shall not be eligible for evaluation pursuant to section 7.4.2 of this Appendix A.

Prior to commencing the joint evaluation of an ITP pursuant to section 7.4.2 of this Appendix A, an Order 1000 Enrolled Party or ITP Proponent that is seeking such evaluation of an ITP shall submit to ColumbiaGrid information in accordance with section 2.6 of this Appendix A, which shall, to the extent permitted by law, include a copy of all ITP data being submitted by the Order 1000 Enrolled Party or ITP Proponent to any of the other Relevant Planning Regions for such ITP.

### **8.3 Joint Evaluation Implementation**

For purposes of ColumbiaGrid's evaluation of an ITP pursuant to section 7.4.2 of this Appendix A,

- (i) development of such ITP shall be through a Study Team in accordance with section 4 of this Appendix A; and
- (ii) evaluation of such ITP in the ColumbiaGrid regional transmission planning process for purposes of section 7.4.2 of this Appendix A shall be through the development and evaluation of such ITP as an Order 1000 Proposed Project through the ColumbiaGrid regional planning process under this Order 1000 Agreement.

Upon receipt of a properly submitted request for such evaluation pursuant to sections 7.4.1 and 8.2 of this Appendix A, ColumbiaGrid will convene a Study Team (or refer such ITP to an existing Study Team) for development of such ITP.

### **8.4 Interregional Cost Allocation Process**

For each ITP that meets the requirements of sections 7.5.1 and 8.2 of this Appendix A and for which Interregional Cost Allocation for such ITP has been timely requested pursuant to section 5.2 of this Appendix A, ColumbiaGrid (if and so long as it is a Relevant Planning Region) shall:

- (i) pursuant to item (c) of section 7.5.2 of this Appendix A, determine the amount, if any, of Regional Benefits for Purposes of Interregional Cost Allocation resulting from such ITP;
- (ii) pursuant to item (ii) of section 7.5.2 of this Appendix A, notify each of the other Relevant Planning Regions with respect to such ITP of the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP so determined;
- (iii) pursuant to item (d) of section 7.5.2 of this Appendix A, calculate ColumbiaGrid's assigned *pro rata* share of the projected costs of such ITP (such share is also referred to as "Assigned Regional Costs from Interregional Cost Allocation"), which share shall be equal to the product of the projected costs of such ITP multiplied by a fraction, the numerator of which shall be the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and the denominator of which shall be the sum of (a) the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and (b) the sum of the regional benefits of each other Relevant Planning Region as calculated with respect to such ITP by such other Relevant Planning Region in accordance with its regional transmission

planning process and provided to ColumbiaGrid by such other Relevant Planning Region;

- (iv) perform a preliminary determination of the Order 1000 Cost Allocation to each Order 1000 Beneficiary should such ITP be selected as an Order 1000 Project, using the methodology with respect to an ITP in section 6.3.1 of this Appendix A (using the Assigned Regional Costs from Interregional Cost Allocation of such ITP as if it were the Total Regional Costs from Interregional Cost Allocation of such ITP) (pursuant to item (e) of section 7.5.2 of this Appendix A, ColumbiaGrid shall share the above determinations with the other Relevant Planning Regions with regard to such ITP); and
- (v) if ColumbiaGrid receives information pursuant to item (e) of section 7.5.2 of this Appendix A from one or more other Relevant Planning Regions regarding what such Relevant Planning Region's regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation and what, if any, additional amount of projected project costs of such ITP its methodology would be attributable to the Order 1000 ColumbiaGrid Planning Region or any Order 1000 Enrolled Party, ColumbiaGrid may use such information to identify an additional amount of projected costs of the ITP to be assigned to ColumbiaGrid if such additional amount is properly allocable to an Order 1000 Beneficiary(ies) as an owner(s) or operator(s) of such ITP (any such additional, properly allocable, amount is also referred to as "Additional Regional Costs from Interregional Cost Allocation") (Total Regional Costs from Interregional Cost Allocation of an ITP (which will include any Additional Regional Costs from Interregional Cost Allocation) will be used in order to determine, pursuant to section 8.5 of this Appendix A, whether to select the ITP as an Order 1000 Project).

Determinations and other activities pursuant to items (iii), (iv), and (v) above may be reperformed as a result of application of section 7.6.2 of this Appendix A.

### **8.5 Determination of Whether to Select the ITP for Purposes of Interregional Cost Allocation**

For each ITP that meets the requirements of sections 7.5.1 and 8.2 of this Appendix A and for which Interregional Cost Allocation for such ITP has been timely requested by an Order 1000 Enrolled Party or ITP Proponent pursuant to sections 5.2 and 7.5.1 of this Appendix A, ColumbiaGrid (if and so long as it is a Relevant Planning Region) shall, as required by section 7.5.2(f) of this Appendix A, determine whether to select the ITP as an Order 1000 Project in accordance with section 5.3 of this Appendix A, based on its regional transmission planning process and taking into account the Total Regional Costs from Interregional Cost Allocation.

Determinations pursuant to this section 8.5 may be reperformed as a result of application of section 7.6.2 of this Appendix A.

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

For any ITP for which ColumbiaGrid is to apply its regional cost allocation methodology pursuant to section 7.6.1 or 7.6.2 of this Appendix A, ColumbiaGrid shall apply its regional cost allocation methodology (Order 1000 Cost Allocation Methodology) by determining the Order 1000 Cost Allocation to each Order 1000 Beneficiary of such ITP, using the methodology with respect to an ITP in section 6.3.1 of this Appendix A.

**9. [reserved]**

**10. [reserved]**

## **11. Process for Adoption of Plans with Respect to Order 1000 Projects and ITPs**

### **11.1 Draft Plan**

**11.1.1 Contents and Development of Draft Plan.** The Staff shall prepare a Draft Plan based upon the ColumbiaGrid transmission planning process that includes the following with respect to this Order 1000 Agreement:

- (i) Order 1000 Need Statement(s) and System Assessment Report(s) submitted by Staff to the Board and the results of any reevaluation of Order 1000 Project(s) pursuant to section 3.3 of this Appendix A;
- (ii) a list of Order 1000 Eligible Projects for which Order 1000 Cost Allocation was requested pursuant to section 5.2 of this Appendix A and, for any such project that was not selected as an Order 1000 Project, an explanation of why such project was not selected as an Order 1000 Project;
- (iii) a list of each Order 1000 Project (and its final Preliminary Cost Allocation Report) that are proposed for Board approval;
- (iv) a review of the current status of all pending Order 1000 Projects that received an Order 1000 Cost Allocation in a prior Plan or Plan Update;
- (v) a list of any ITP(s) for which joint evaluation has been requested pursuant to section 7 of this Appendix A and the status of ColumbiaGrid's performance of its portion of each such evaluation, including a description of ColumbiaGrid's determinations with regard to whether such ITP(s) will meet any Order 1000 Need(s);

- (vi) any transmission solution(s) selected and developed pursuant to section 2.5 of the body of this Order 1000 Agreement and not otherwise included in the Draft Plan; and
- (vii) other information included for informational purposes, for example, (a) any Order 1000 Needs that were included in the System Assessment Report to the extent such Order 1000 Needs are not being met in the Biennial Plan, and (b) any solution to an Order 1000 Need for which planning is still at a conceptual or preliminary stage.

In preparing the Draft Plan, the Staff shall solicit and consider the comments of Interested Persons, Order 1000 Affected Persons, and Order 1000 Parties. The Staff shall post a preliminary Draft Plan on the Website and allow an opportunity for Interested Persons to comment prior to finalizing the Draft Plan; *provided that* the Staff shall redact Confidential Information and CEII from the Draft Plan that is made public. Staff may post the comments or a summary of the comments received on the Website. The Staff shall include any redacted Confidential Information and CEII in the Draft Plan submitted to the Board. The Staff shall include the documentation as the Staff finds appropriate for purposes of Board review and action; *provided that* the documentation should be sufficient for subsequent review in an appropriate forum. The Draft Plan shall clearly identify which Order 1000 Projects (1) are ready for implementation or must be commenced in the upcoming Planning Cycle in order to have sufficient lead time for implementation, (2) have planning underway but do not require commencement in the upcoming Planning Cycle yet are ready for implementation, or (3) have planning at a conceptual or preliminary stage.

**11.1.2 Timing.** The Staff shall submit the Draft Plan for Board adoption at a time interval no greater than every two years.

## **11.2 Review Process**

The Board shall review the Draft Plan in an open, public process. In doing so, the Board shall make available the Draft Plan, study reports, Order 1000 Replication Data, and electronic data files, subject to appropriate protection of Confidential Information and CEII to all Order 1000 Parties and Interested Persons and provide the public an opportunity to supply information and provide written or oral comments to the Board. The Board may adopt additional procedures to carry out its review process.

## **11.3 Basis for Plan Adoption**

The Board shall base its review and adoption of the Plan on the technical merits of the Draft Plan, the consistency of the Order 1000 Projects listed in the Draft Plan with this Order 1000 Agreement, and considering comments and information provided during the review process.

## 11.4 Plan Adoption

With respect to any Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), Order 1000 Project(s), and ITP(s), the Board shall review and take action regarding the Draft Plan as follows:

The Board shall review and may approve the following with respect to each Order 1000 Project: the Staff determination that it meets its underlying Order 1000 Need(s) and is consistent with the applicable solution evaluation factors, the Staff determination that it should be selected as an Order 1000 Project, and a Preliminary Cost Allocation Report. The Board shall review the documentation relating to any other alternative that was considered by the Study Team and the reason why the Staff did not select any such alternative. Those elements that are not approved by the Board shall be remanded to the Staff which may, in cooperation with the Study Team, revise the Staff determination and resubmit it to the Board; *provided that* the Board may modify any Staff determination to the extent such modification is supported by the record.

**11.4.1 Order 1000 Information.** The Board shall include in the Biennial Plan:

- (i) a list of any Order 1000 Project(s);
- (ii) an Order 1000 Cost Allocation Report for each Order 1000 Project for which all request(s) for Order 1000 Cost Allocation have not been withdrawn and for which the Benefit to Cost Ratio has been determined to be 1.25 or greater;
- (iii) a list of any ITP(s) for which joint evaluation has been requested pursuant to sections 7.4 and 8.2 of this Appendix A; and
- (iv) any determination pursuant to section 3.3 of this Appendix A of whether any Order 1000 Project (and any Order 1000 Cost Allocation associated with such Order 1000 Project) included in the then-current Plan is removed from the Plan.

**11.4.2 Other Information Included in the Draft Plan.** The Board shall include in the Biennial Plan for informational purposes all of the other content in the Draft Biennial Plan that was provided for informational purposes unless the Board determines it has good cause not to include such content.

**11.4.3 Remands.** In the event that the Board remands an item to the Staff and a Study Team for further analysis and discussion, the Board shall identify specific questions or concerns to be answered or further researched by the Staff and Order 1000 Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team before the Board approves or confirms the matter that has been remanded.

**11.4.4 Reconsideration Process.** The Board shall develop and make available a reconsideration process that provides Persons who are materially impacted by such decision and did participate in any underlying Study Team to request within ten days that the Board reconsider a specific decision within the Board's approval. If reconsideration of a Board

decision is sought by any such Person, ColumbiaGrid shall promptly convene a meeting, chaired by the ColumbiaGrid President, to which it invites the chief executive officer or equivalent executive of all Order 1000 Affected Persons to determine whether they can reach agreement on the disputed decision. If agreement is not reached, the Board shall pursue the reconsideration process. The reconsideration process will provide for input from all involved Persons (including Order 1000 Parties) and Staff, and the Board will make its reconsidered decision known within 90 days from the date of the request. If, upon reconsideration, the Board modifies its decision, the modification shall also be subject to a petition for reconsideration.

**REDLINED FILING VERSION OF COLUMBIAGRID  
SECOND AMENDED AND RESTATED  
ORDER 1000 FUNCTIONAL AGREEMENT**

**COLUMBIAGRID**

**FIRSTSECOND AMENDED AND RESTATED ORDER 1000 FUNCTIONAL  
AGREEMENT**

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## COLUMBIAGRID

### ~~FIRST~~SECOND AMENDED AND RESTATED ORDER 1000 FUNCTIONAL AGREEMENT

This ~~First~~Second Amended and Restated Order 1000 Functional Agreement (“Order 1000 Agreement”) is entered into as of ~~November 16, 2014~~June 12, 2015, by and among ColumbiaGrid, a Washington non-profit corporation, and Avista Corporation, Puget Sound Energy, Inc., and MATL LLP.

#### RECITALS

A. ColumbiaGrid facilitates multi-system transmission planning on behalf of Planning Parties pursuant to the Planning and Expansion Functional Agreement (filed in Commission Docket No. ER07-523), as amended by the amendment filed in Commission Docket No. ER08-457 and as amended by the amendment filed in Commission Docket No. ER10-585, and as may be amended hereafter from time to time (“PEFA”);

B. ColumbiaGrid is to facilitate, in accordance with this Order 1000 Agreement, the performance of certain transmission planning processes pursuant to Order 1000 on behalf of the Order 1000 Enrolled Parties and ITP Proponents;

C. ColumbiaGrid is also to facilitate, in accordance with this Order 1000 Agreement, the performance of certain regional transmission planning processes on behalf of Governmental Non-Enrolled Parties; ~~and~~

D. As of December 17, 2013, ColumbiaGrid, Avista Corporation, Puget Sound Energy, Inc., and MATL LLP entered into an “Order 1000 Functional Agreement,” ~~which upon the Effective Date of~~ (sometimes referred to in this Order 1000 Agreement ~~shall be superseded and replaced in its entirety by this~~ as the “2013 Order 1000 Functional Agreement.”);

E. As of November 16, 2014, ColumbiaGrid, Avista Corporation, Puget Sound Energy, Inc., and MATL LLP entered into a First Amended and Restated Order 1000 Functional Agreement (sometimes referred to in this Order 1000 Agreement as the “2014 Order 1000 Functional Agreement”), which upon the “Effective Date” specified therein superseded and replaced in its entirety the 2013 Order 1000 Functional Agreement; and

F. As of June 12, 2015, ColumbiaGrid, Avista Corporation, Puget Sound Energy, Inc., and MATL LLP entered into this Second Amended and Restated Order 1000 Functional Agreement (“Order 1000 Agreement”), which upon the Effective Date supersedes and replaces in their entirety the 2013 Order 1000 Functional Agreement and the 2014 Order 1000 Functional Agreement.

## 1. Definitions

1.1 “Additional Regional Costs from Interregional Cost Allocation” shall have the meaning set forth in item (v) of section 8.4 of Appendix A.

1.2 [Reserved]

1.3 “Agreement Limiting Liability Among Western Interconnected Systems” or “WIS Agreement” means at any time the Agreement Limiting Liability Among Western Interconnected Systems as it may have then been amended.

1.4 “Annual Interregional Coordination Meeting” shall have the meaning set forth in section 7.3 of Appendix A.

1.5 “Annual Interregional Information” shall have the meaning set forth in section 7.2 of Appendix A.

1.6 “Assigned Regional Costs from Interregional Cost Allocation” means, with respect to an ITP, ColumbiaGrid’s assigned *pro rata* share of the projected costs of such ITP calculated pursuant to item (d) of section 7.5.2 of Appendix A and item (iii) of section 8.4 of Appendix A. Assigned Regional Costs from Interregional Cost Allocation may be recalculated as a result of application of sections 5.2 or 7.6.2 of Appendix A.

1.7 “Benefit to Cost Ratio” means the ratio as may be determined pursuant to section 6.3.2 of Appendix A.

1.8 “Biennial Plan” means each biennial transmission plan adopted by the Board pursuant to section 2 of this Order 1000 Agreement. A “Draft Biennial Plan” refers to a draft of a Biennial Plan presented by Staff to the Board for adoption pursuant to section 2 of this Order 1000 Agreement but not yet adopted by the Board.

1.9 “Board of Directors” or “Board” means the Board of Directors of ColumbiaGrid.

1.10 “Bylaws” means the then-current bylaws of ColumbiaGrid.

1.11 “Claims Committee” means a committee established pursuant to section 8.4.2 of this Order 1000 Agreement upon the receipt of a claim or prior to such time.

1.12 “ColumbiaGrid Planning Region” means the transmission systems that Planning Parties own or operate, or propose to own or operate, in the Regional Interconnected Systems.

1.13 “Commission” means the Federal Energy Regulatory Commission or any successor entity.

1.14 “Confidential Information” means: all information, regardless of the manner in which it is furnished, marked as “Confidential Information” at the time of its furnishing; *provided that* Confidential Information shall not include information: (i) in the public domain or generally available or known to the public; (ii) disclosed to a recipient by a Third Person who

had a legal right to do so; (iii) independently developed by the receiving party or known to such party prior to its disclosure under this Order 1000 Agreement; (iv) normally disclosed by entities in the Western Interconnection without limitation; (v) disclosed in aggregate form; or (vi) required to be disclosed without a protective order or confidentiality agreement by subpoena, law, or other directive of a court, administrative agency, or arbitration panel.

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

1.16 “Effective Date” shall have the meaning set forth in section 12 of this Order 1000 Agreement.

1.17 “Electric System” shall have the meaning given for the words “electric system” in the WIS Agreement and means (i) electric distribution facilities or (ii) generation facilities or (iii) transmission facilities, or any combination of the three, and includes transmission lines, distribution lines, substations, switching stations, generating plants, and all associated equipment for generating, transmitting, distributing, or controlling flow of power. The Electric System of a Person includes the facilities of another entity operated or controlled by such Person. Electric System includes any devices or equipment (a) by which information is originated on an electric system or by the Person operating such system, (b) by which such information is transmitted, and (c) by which such information is received either for information or for operation of a system, whether by the originating system or by another system.

1.18 “Enrolled” refers to a Person’s status as enrolled in an Order 1000 Planning Region, such that such Person is subject to such Order 1000 Planning Region’s planning processes (including cost allocations) in accordance with the requirements of Order 1000 as implemented by such Order 1000 Planning Region. A Person is Enrolled in the Order 1000 ColumbiaGrid Planning Region if and at such times as

- (i) such Person is an Order 1000 Party in accordance with the provisions of this Order 1000 Agreement and has not withdrawn (and has not been deemed to have withdrawn) from this Order 1000 Agreement pursuant to section 13 of this Order 1000 Agreement; and
- (ii) such Person is neither a Governmental Non-Enrolled Party nor an ITP Proponent.

Any Order 1000 Enrolled Party is expressly Enrolled in the Order 1000 ColumbiaGrid Planning Region and is to be listed as Enrolled in the Order 1000 ColumbiaGrid Planning Region in each Order 1000 Enrolled Party’s open access transmission tariff. Any Governmental Non-Enrolled Party and any ITP Proponent is not Enrolled in the Order 1000 ColumbiaGrid Planning Region.

1.19 “Governmental Non-Enrolled Party” means any Order 1000 Party that (i) is within the definition of 16 U.S.C. § 824(f) (and hence is not a “public utility” under Part II of the Federal Power Act), (ii) is a Planning Party, and (iii) has elected pursuant to section 14.17 of this Order 1000 Agreement to be a Governmental Non-Enrolled Party.

1.20 “Governmental Non-Enrolled Party Non-Transmission Alternative” means an alternative that does not involve the construction of transmission facilities and that ColumbiaGrid has determined would result in the elimination or deferral of a transmission need of a Governmental Non-Enrolled Party by modifying the loads or resources reflected in the system assessments. Examples of such alternatives that may constitute Governmental Non-Enrolled Party Non-Transmission Alternatives may include demand-side load reduction programs, peak-shaving projects, and distributed generation. The following examples are specifically excluded from Governmental Non-Enrolled Party Non-Transmission Alternatives: remedial action schemes, shunt capacitors, and reconductoring.

1.21 “Incremental Costs” shall have the meaning set forth in section 3.3 of this Order 1000 Agreement.

1.22 “Interested Person” means any Person who has expressed an interest in the business of ColumbiaGrid and has requested notice of its public meetings. Such Interested Persons will be identified on the “Interested Persons List” compiled by ColumbiaGrid in accordance with Section 4.2 of the Bylaws. For purposes of section 7 of Appendix A, Interested Persons are referred to as stakeholders.

1.23 “Interregional Cost Allocation” means the assignment of ITP costs between or among Relevant Planning Regions as described in section 7.5.2 of Appendix A.

1.24 “Interregional Transmission Project” or “ITP” means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Order 1000 Planning Regions and that is submitted into the regional transmission planning processes of all such Order 1000 Planning Regions in accordance with section 7.4.1 of Appendix A.

1.25 “Interregional Transmission Project Proponent” or “ITP Proponent” means an Order 1000 Party that (i) has pursuant to section 14.17 of this Order 1000 Agreement indicated that it is an ITP Proponent, (ii) is not Enrolled in the Order 1000 ColumbiaGrid Planning Region, and (iii) is Enrolled in an Order 1000 Planning Region (other than the Order 1000 ColumbiaGrid Planning Region).

For purposes of section 7 of Appendix A, a proponent of an ITP that is either an ITP Proponent or an Order 1000 Enrolled Party is referred to as a proponent of an ITP.

1.26 “Local Transmission Plan” means, with respect to an Order 1000 Party, a plan that identifies planned new transmission facilities and facility replacements or upgrades for such Order 1000 Party’s transmission system.

1.27 “Order 1000” means the Commission’s Order No. 1000 (*Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, 136 FERC ¶ 61,051 (2011), *order on rehearing and clarification*, 139 FERC ¶ 61,132 (2012), *order on rehearing and clarification*, 141 FERC ¶ 61,044 (2012), *affirmed sub nom. S. C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014)), as it may be amended, supplemented, or superseded from time to time.

1.28 “Order 1000 Affected Persons” means, with respect to an ITP, Order 1000 Project, Order 1000 Eligible Project or Order 1000 Proposed Project, those Order 1000 Parties and other Persons that would bear Order 1000 Material Adverse Impacts from such project or are otherwise materially affected thereby.

1.29 “Order 1000 Agreement” means this Order 1000 Functional Agreement, including Appendix A attached hereto.

1.30 “Order 1000 Beneficiary” means, with respect to an Order 1000 Project, any Order 1000 Enrolled Party that is identified in an Order 1000 Cost Allocation Report as an Order 1000 Beneficiary that would receive Order 1000 Benefits as a direct result of such Order 1000 Project. Solely for purposes of any Preliminary Cost Allocation performed pursuant to item (a) of the second paragraph of section 6 of Appendix A, any Governmental Non-Enrolled Party shall be deemed to be an Order 1000 Beneficiary, in accordance with section 1.31.

1.31 “Order 1000 Benefits” means, with respect to an Order 1000 Project and as more fully described in section 6.2.2 of Appendix A, the Order 1000 Benefits of any Order 1000 Beneficiary, which shall be equal to the sum of:

- (i) the projected costs that such Order 1000 Beneficiary is projected to avoid over the Planning Horizon due to elimination or deferral, as a direct result of such Order 1000 Project, of planned additions of transmission facilities in the Order 1000 ColumbiaGrid Planning Region, plus;
- (ii) if and to the extent not reflected in item (i) above, the value that such Order 1000 Beneficiary is projected to realize on its Order 1000 Transmission System over the Planning Horizon, as a direct result of such Order 1000 Project, where such value is equal to the lesser of:
  - (a) the projected costs (excluding any projected costs included in item (i) above) that such Order 1000 Beneficiary would, but for such Order 1000 Project, have otherwise incurred over the Planning Horizon to achieve an increase in capacity on its Order 1000 Transmission System equivalent to that resulting from such Order 1000 Project; or
  - (b) the projected changes in revenues based on cost-based transmission rates over the Planning Horizon to such Order 1000 Beneficiary directly resulting from such Order 1000 Project or such Order 1000 Project’s elimination or deferral of planned transmission facilities, which projected changes in revenues shall be based on projected changes of usage of such Order 1000 Beneficiary’s Order 1000 Transmission System that are projected, using a robust economic analysis (including production cost, power flow, and stability

analyses and evaluation of transmission queues, as described in section 6.2.1 of Appendix A) and are repeatable over a wide range of reasonable assumptions, to result over the Planning Horizon from the projected changes in capacity on such Order 1000 Beneficiary's Order 1000 Transmission System resulting from such Order 1000 Project or such Order 1000 Project's elimination or deferral of planned transmission facilities.

Solely for purposes of any Preliminary Cost Allocation performed pursuant to item (a) of the second paragraph of section 6 of Appendix A, (a) Order 1000 Benefits shall be deemed to include benefits calculated, pursuant to this section 1.31 and section 6.2.2 of Appendix A, for each Governmental Non-Enrolled Party as if it were an Order 1000 Enrolled Party, and (b) each such Governmental Non-Enrolled Party shall be deemed to be the Order 1000 Beneficiary with respect to the benefits, if any, so calculated for it.

1.32 “Order 1000 ColumbiaGrid Planning Region” means the Order 1000 Transmission Systems of Order 1000 Enrolled Parties.

1.33 “Order 1000 Cost Allocation” means an allocation, using the Order 1000 Cost Allocation Methodology, pursuant to item (b) of the second paragraph of section 6 of Appendix A, of projected costs of an Order 1000 Project among one or more Order 1000 Beneficiaries with respect to such Order 1000 Project that is approved by the Board pursuant to section 11.4 of Appendix A. An Order 1000 Cost Allocation with respect to an Order 1000 Project is approved by the Board if and on such date as the Board approves such Order 1000 Project and Order 1000 Cost Allocation for inclusion in a Plan pursuant to section 11.4.

1.34 “Order 1000 Cost Allocation Methodology” means the cost allocation methodology set out in section 6.3 of Appendix A.

1.35 “Order 1000 Cost Allocation Report” means the report with respect to an Order 1000 Cost Allocation prepared by Staff and approved by the Board and included in the Plan in accordance with sections 6.4 and 11.4 of Appendix A.

1.36 “Order 1000 Eligible Project” means an Order 1000 Proposed Project that is identified as described in section 5.1 of Appendix A as an Order 1000 Eligible Project.

1.37 “Order 1000 Enrolled Party” means any Order 1000 Party (whether incumbent or nonincumbent) that

- (i) is an Order 1000 Enrolled Party pursuant to section 14.17 of this Order 1000 Agreement; and
- (ii) has not withdrawn (and has not been deemed to have withdrawn) from this Order 1000 Agreement pursuant to section 13 of this Order 1000 Agreement; and.

~~(iii) has not converted to being a Governmental Non-Enrolled Party pursuant to section 14.17.~~

For the avoidance of doubt, specifically excluded from being an Order 1000 Enrolled Party are (a) any Person that is Enrolled in any Order 1000 Planning Region in the RIS other than the Order 1000 ColumbiaGrid Planning Region, (b) any Person that has elected pursuant to section 14.17 of this Order 1000 Agreement to be a Governmental Non-Enrolled Party, and (c) any Person that is pursuant to section 14.17 of this Order 1000 Agreement an ITP Proponent; provided that an Order 1000 Non-Incumbent Transmission Developer may be Enrolled in the Order 1000 ColumbiaGrid Planning Region with respect to the proposed transmission facilities of such Non-Incumbent Transmission Developer in the Order 1000 ColumbiaGrid Planning Region identified pursuant to section 14.17 of this Order 1000 Agreement and also Enrolled in another Order 1000 Planning Region.

1.38 “Order 1000 Material Adverse Impacts” means, with respect to any solution to an Order 1000 Need (or other transmission need for which a solution is identified under this Order 1000 Agreement) a reduction of transmission capacity on a transmission system (or other adverse impact on such transmission system that is generally considered in transmission planning in the Western Interconnection) due to such solution that is material, that would result from such solution, and that is unacceptable to the Person that owns or operates such transmission system. For purposes of this Order 1000 Agreement, Order 1000 Material Adverse Impacts are considered mitigated if there would not be any Order 1000 Material Adverse Impacts due to such solution.

1.39 “Order 1000 Merchant Transmission Project” means existing or planned transmission facilities for which the costs are recovered or intended to be recovered through negotiated rates and are therefore not eligible for Order 1000 Cost Allocation.

1.40 “Order 1000 Need” means any need; for transmission facilities, as identified in a System Assessment Report pursuant to section 3 of Appendix A, ~~of an Enrolled Party(ies) for transmission facilities~~ in the Order 1000 ColumbiaGrid Planning Region, including any such need that is driven by reliability requirements, addresses economic considerations, or is driven by Public Policy Requirements. ~~Order 1000 Need specifically excludes specific transmission service requests and native and network load requirements of any Enrolled Party, unless those requests or requirements may be addressed by a solution that addresses other needs for transmission facilities driven by reliability requirements, economic considerations, or Public Policy Requirements of an Enrolled Party(ies).~~ “Order 1000 Potential Need” is an item that is proposed or considered for inclusion in the system assessment for possible identification in the System Assessment Report as an Order 1000 Need. For purposes of section 7 of Appendix A, an Order 1000 Need in the Order 1000 ColumbiaGrid Planning Region is referred to as a regional transmission need.

1.41 “Order 1000 Need Statement” means, with respect to an Order 1000 Need, a statement developed by Staff pursuant to section 3 of Appendix A and included for informational purposes in a Plan. A “Draft Order 1000 Need Statement” means a proposal for an Order 1000 Need Statement as described in section 3 of Appendix A.

1.42 “Order 1000 Needs Factors” shall have the meaning set forth in section 2.2 of Appendix A.

1.43 “Order 1000 Needs Meeting” means the annual meeting provided for in section 3.1 of Appendix A to discuss Order 1000 Potential Needs that should be included in the upcoming system assessment.

1.44 “Order 1000 Non-Incumbent Transmission Developer” means ~~any Order 1000 Enrolled Party that, with respect to transmission facilities proposed by an Order 1000 Enrolled Party, such Order 1000 Enrolled Party if such proposed transmission facilities are in the Order 1000 ColumbiaGrid Planning Region and either~~

- ~~(i) — (i) such Order 1000 Enrolled Party proposes to, but does not currently, own or operate transmission facilities in the Order 1000 ColumbiaGrid Planning Region and does not currently own have a retail distribution service territory or operate transmission facilities footprint in ~~any~~the Order 1000 ColumbiaGrid Planning Region; or~~
- ~~(ii) is not such Order 1000 Enrolled in a Relevant Planning Region other than Party proposes to, but does not currently, own or operate transmission facilities in the Order 1000 ColumbiaGrid Planning Region; and~~
- ~~(iii) — is not a Planning such proposed transmission facilities are outside any retail distribution service territory or footprint of such Order 1000 Enrolled Party.~~

1.45 “Order 1000 Non-Transmission Alternative” means an alternative that does not involve the construction of transmission facilities and that ColumbiaGrid has determined would result in the elimination or deferral of an Order 1000 Need of an Order 1000 Enrolled Party by modifying the loads or resources reflected in the system assessments. Examples of such alternatives that may constitute Order 1000 Non-Transmission Alternatives may include demand-side load reduction programs, peak-shaving projects, and distributed generation. The following examples are specifically excluded from Order 1000 Non-Transmission Alternatives: remedial action schemes, shunt capacitors, and reconductoring.

1.46 “Order 1000 Party” means each signatory, other than ColumbiaGrid, to this Order 1000 Agreement.

1.47 “Order 1000 Planning Criteria” means the then-current planning standards that ColumbiaGrid shall apply, as provided in section 2.1 of Appendix A, in any system assessment, System Assessment Report, or Order 1000 Need Statement, with respect to Order 1000 Need(s), Interregional Transmission Project(s), Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), and Order 1000 Projects.

1.48 “Order 1000 Planning Region” means each of the following Order 1000 transmission planning regions insofar as they are within the Western Interconnection: California

Independent System Operator Corporation, Order 1000 ColumbiaGrid Planning Region, Northern Tier Transmission Group, and WestConnect. For purposes of section 7 of Appendix A, Order 1000 Planning Region is referred to as a Planning Region.

1.49 [Reserved]

1.50 “Order 1000 Project” means any Order 1000 Eligible Project, if and for so long as: (i) it has been selected as an Order 1000 Project in accordance with section 5.3 of Appendix A; (ii) all Order 1000 Enrolled Parties and ITP Proponents that timely requested Order 1000 Cost Allocation for such project have not withdrawn such requests in accordance with section 5.2 of Appendix A (whether such withdrawal(s) is before or after inclusion of such project in a Plan); (iii) the Benefit to Cost Ratio for such project has not been determined pursuant to section 6.3.2 of Appendix A to be less than 1.25; (iv) an agreement on implementation of such project is not reached in accordance with section 5.4 of Appendix A or section 6.4 of Appendix A; and (v) such project has not been removed from a Plan as an Order 1000 Project pursuant to sections 3.3 and 11.4.1 of Appendix A.

For purposes of the cost allocation provisions of this Order 1000 Agreement, transmission facilities of an ITP may be deemed to be an Order 1000 Project notwithstanding the fact that the selection of an ITP as an Order 1000 Project under this Order 1000 Agreement occurs after cost allocation calculations have been performed with respect to such ITP.

1.51 “Order 1000 Proposed Project” means proposed transmission facilities that

- (i) are in the Order 1000 ColumbiaGrid Planning Region; or
- (ii) are an ITP

that are included in a plan of service developed by a Study Team and that address an Order 1000 Need(s). Proposed transmission facilities in a plan of service that are not an ITP and that would directly interconnect electrically with existing or planned transmission facilities that are not in the Order 1000 ColumbiaGrid Planning Region are specifically excluded from being an Order 1000 Proposed Project. Order 1000 Proposed Project specifically excludes any Order 1000 Merchant Transmission Project.

1.52 “Order 1000 Proposed Staff Solution” shall have the meaning set forth in section 4.4 of Appendix A.

1.53 “Order 1000 Replication Data” means basic criteria, assumptions, and data necessary to replicate the results of ColumbiaGrid’s planning studies performed pursuant to this Order 1000 Agreement with respect to any Order 1000 Potential Need, Order 1000 Need, Order 1000 Proposed Project, Order 1000 Eligible Project, Order 1000 Project, or ITP.

1.54 “Order 1000 Transmission System” means

- (i)        the existing or proposed transmission facilities in the Regional Interconnected Systems of any Order 1000 Enrolled Party that is a Planning Party; and

(ii)- the proposed transmission facilities in the Regional Interconnected Systems of any Order 1000 Enrolled Party that is not a Planning Party but that is an Order 1000 Non-Incumbent Transmission Developer; with respect to such proposed transmission facilities;

provided that Order 1000 Transmission System specifically excludes any existing or proposed transmission facilities in any Order 1000 Planning Region other than the Order 1000 ColumbiaGrid Planning Region.

1.55 “Pacific Northwest” means (i) the sub region within the Western Interconnection comprised of Alberta, British Columbia, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming; and (ii) any portions of the area defined in 16 U.S.C. § 839a(14) that are not otherwise included in (i).

1.56 “Party” means a signatory to the PEFA.

1.57 “PEFA” shall have the meaning set forth in Recital A of this Order 1000 Agreement.

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

1.59 “Plan” means at any time the then-current Biennial Plan, as then revised by any Plan Updates. A “Draft Plan” refers to a Draft Biennial Plan or a Draft Plan Update. For purposes of section 7 of Appendix A, a Plan in the Order 1000 ColumbiaGrid Planning Region is referred to as a regional transmission plan.

1.60 “Plan Update” means an update to the then-current Plan adopted by the Board pursuant to section 2.4 of this Order 1000 Agreement. A “Draft Plan Update” means a plan update presented by Staff to the Board for adoption but not yet adopted by the Board.

1.61 “Planning Cycle” means a period of approximately 24 months during which a Draft Biennial Plan is to be prepared and presented to the Board for adoption and during which a Biennial Plan is to be subsequently adopted by the Board.

1.62 “Planning Horizon” means, with respect to any Biennial Plan (or Plan Update), the period for which the system assessment for such Biennial Plan (or Plan Update) is made, which period shall be the longer of (i) ten years or (ii) the planning period required by the Commission in its pro forma open access transmission tariff, as it may be amended from time to time.

1.63 “Planning Party” means each Party to the PEFA other than ColumbiaGrid. ColumbiaGrid shall maintain a list of the Planning Parties on the Website.

1.64 “Preliminary Cost Allocation” means a cost allocation pursuant to section 6 of Appendix A that has not been approved by the Board pursuant to section 11.4 of Appendix A.

1.65 “Preliminary Cost Allocation Report” means, with respect to an Order 1000 Project, the Staff’s preliminary cost allocation report prepared in accordance with section 6.4 of Appendix A.

1.66 “Public Policy Requirements” means enacted statutes (*i.e.*, passed by the legislature and signed by the executive) and regulations promulgated by a relevant jurisdiction, whether within a state or at the federal level.

1.67 “Regional Benefits for Purposes of Interregional Cost Allocation” means, with respect to an ITP, an amount equal to the sum of the aggregate Order 1000 Benefits calculated in accordance with the provisions of section 1.31 of this Order 1000 Agreement for any Order 1000 Beneficiary(ies) of such ITP. For purposes of items (ii) and (c) of section 7.5.2 of Appendix A, Regional Benefits for Purposes of Interregional Cost Allocation is referred to as ColumbiaGrid’s regional benefits stated in dollars resulting from the ITP.

1.68 “Regional Interconnected Systems” or “RIS” means the transmission systems in the Pacific Northwest.

1.69 “Relevant Planning Regions” means, with respect to an ITP, the Order 1000 Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with section 7.4.2 of Appendix A, at which time it shall no longer be considered a Relevant Planning Region.

1.70 “Relevant State or Provincial Agency” means any State or Provincial agency with authority over energy regulation, transmission, or planning that has expressed an interest in the ColumbiaGrid transmission planning processes and has requested to be included on the Interested Persons List. For example, these may include the Washington Utilities and Transportation Commission, Idaho Public Utilities Commission, Oregon Public Utility Commission, Washington Department of Commerce (specifically the Energy Office within that department), Washington Energy Facility Site Evaluation Council, and the appointees to the Northwest Power and Conservation Council. If requested by a governor in the Pacific Northwest, Relevant State and Provincial Agency may also include a representative from such governor’s office. For the purposes of this Order 1000 Agreement, the term also includes any successor to these agencies.

1.71 “Staff” means the ColumbiaGrid staff, officers, or consultants hired or retained by ColumbiaGrid to perform the Staff’s responsibilities under this Order 1000 Agreement. The activities of Staff under this Order 1000 Agreement will be performed under the supervision and guidance of the ColumbiaGrid Board.

1.72 “Study Team” with respect to an Order 1000 Proposed Project being developed means a team that is comprised of ColumbiaGrid and the following that choose to participate in such team: (i) any Order 1000 Parties, (ii) any Order 1000 Affected Persons identified with respect to such project, and (iii) any Interested Persons; *provided that* participation in a Study

Team may be subject to restrictions in tariffs (*see, e.g.*, pro forma open access transmission tariff, sections 17.2 and 18.2) or applicable law to protect Confidential Information or CEII.

1.73 “System Assessment Report” means each system assessment report developed by Staff pursuant to section 3 of Appendix A. “Draft System Assessment Report” means a draft System Assessment Report as described in section 3 of Appendix A. “Final System Assessment Report” has the meaning described in section 3.5 of Appendix A.

1.74 “Third Person” means any Person other than either ColumbiaGrid or any Order 1000 Party.

1.75 “Total Regional Costs from Interregional Cost Allocation” means, with respect to an ITP, the sum of the Assigned Regional Costs from Interregional Cost Allocation of such ITP plus any Additional Regional Costs from Interregional Cost Allocation of such ITP. Total Regional Costs from Interregional Cost Allocation may be recalculated as a result of application of section 7.6.2 of Appendix A.

1.76 “Transmission Owner or Operator Planning Party” or “TOPP” means a Party to the PEFA (exclusive of ColumbiaGrid) that, pursuant to the PEFA is, or proposes to be, a developer or an owner or operator of transmission facilities in the Pacific Northwest.

1.77 “Uncontrollable Force” means any act or event that delays or prevents an Order 1000 Party or ColumbiaGrid from timely performing obligations under this Order 1000 Agreement, including an act of God, strike, lock-out, labor dispute, labor disturbance, act of the public enemy, act of terrorism, war, insurrection, riot, fire, storm or flood, earthquake, explosion, accident to or breakage, failure or malfunction of machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities (other than, as to its own performance, by such Order 1000 Party that is a federal power marketing administration, municipal corporation or other federal, tribal or state governmental entity or subdivision thereof), or any other cause beyond an Order 1000 Party’s or ColumbiaGrid’s reasonable control and to the extent without such Order 1000 Party’s or ColumbiaGrid’s fault or negligence. Economic hardship shall not constitute an Uncontrollable Force under this Order 1000 Agreement.

1.78 “Website” means the website maintained by ColumbiaGrid at [www.columbiagrid.org](http://www.columbiagrid.org).

1.79 “Western Electricity Coordinating Council” or “WECC” means the Western Electricity Coordinating Council or any successor entity.

1.80 “Willful Action” means an action taken or not taken by an Order 1000 Party or ColumbiaGrid, which action is knowingly or intentionally taken or failed to be taken, with intent that injury or damage would result therefrom or which action is wantonly reckless. Willful Action does not include any act or failure to act which is involuntary, accidental, negligent, or grossly negligent.

## **2. Transmission Planning Processes**

### **2.1 Relationship to the PEFA**

This Order 1000 Agreement is based on the transmission planning processes in the PEFA and provides additional terms and processes necessary for ColumbiaGrid to facilitate the performance of certain transmission planning processes on behalf of Governmental Non-Enrolled Parties and, pursuant to Order 1000, on behalf of Order 1000 Enrolled Parties and ITP Proponents. Order 1000 Enrolled Parties and ITP Proponents shall, as applicable, participate, with respect to Order 1000 Potential Needs, Order 1000 Need(s), Interregional Transmission Project(s), Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), and Order 1000 Projects, in ColumbiaGrid transmission planning processes in accordance with this Order 1000 Agreement. In the event of a conflict between any provision of this Order 1000 Agreement and any provision of the PEFA, the provisions of this Order 1000 Agreement shall prevail with respect to the rights and obligations as between and among ColumbiaGrid and Order 1000 Parties.

The transmission planning processes under this Order 1000 Agreement are intended to supplement the transmission planning processes under the PEFA. The transmission planning processes under this Order 1000 Agreement shall, to the extent practicable, utilize the same transmission planning processes that are used under the PEFA. The performance of system assessments and preparation of Biennial Plans pursuant to this Order 1000 Agreement are intended to be accomplished in conjunction with the performance of the system assessments and preparation of the Biennial Plans under the PEFA. Nothing in this Order 1000 Agreement shall obligate ColumbiaGrid to prepare a Biennial Plan separate from the Biennial Plan prepared under the PEFA and nothing in this Order 1000 Agreement shall obligate ColumbiaGrid to prepare a system assessment separate from the system assessment prepared under the PEFA; *provided that* that the requirements of this Order 1000 Agreement are satisfied.

### **2.2 Provisions of the PEFA Applicable to Order 1000 Parties Not Party to the PEFA**

For purposes of this Order 1000 Agreement, each Order 1000 Party that is not a Party to the PEFA shall comply with the provisions of the PEFA (except as otherwise provided in this section 2.2), including the following sections of the PEFA, as though such Order 1000 Party is a Planning Party and Transmission Owner or Operator Planning Party:

- Section 1—Definitions
- Section 2—Biennial Transmission Plans and Updates
- Section 3—Plan Methodology
- Section 4—ColumbiaGrid Transmission Planning Process Requirements
- Section 11—Authorization for ColumbiaGrid to Perform Obligations Under This Agreement
- Section 12—Limitations of Liability Among Planning Parties
- Section 13.3—First Party Claims
- Section 13.5—Inaccurate or Incomplete Data or Information
- Section 13.6—Limitation of Damages

- Section 14—Uncontrollable Force
- Section 16—Confidentiality Obligations
- Section 19.3—Construction of Agreement
- Section 19.6—Governing Law
- Section 19.8—Singular and Plural; Use of “Or”
- Section 19.9—Headings for Convenience Only
- Section 19.10—Relationship of the Parties
- Section 19.11—No Third Person Beneficiaries
- Section 19.12—No Dedication of Facilities
- Section 19.13—Nonwaiver
- Appendix A (except as provided below)—Transmission Planning Process

Notwithstanding the foregoing, the following provisions of the PEFA are specifically not applicable under this Order 1000 Agreement to any Order 1000 Party and shall not constitute obligations under this Order 1000 Agreement of ColumbiaGrid or any Order 1000 Party:

- Section 5—Commitment to Move to Common Queue and Explore Other Improvements
- Section 6—Offer and Execution of Facilities Agreements; Other Agreements
- Section 7—Regional and Interregional Transmission Coordination
- Section 8—Payment
- Section 9—Budgets
- Section 13.4—Third Person Claims
- Section 15—Assignments and Conveyances
- Section 17—Effective Date
- Section 18—Withdrawal
- Section 19—Miscellaneous, except as specifically included above
- Appendix B—Facilities Agreement

In addition to the provisions listed above, the provisions of the PEFA that provide for any cost allocation, including, but not limited to, any such provisions in sections 5.4, 6.4, 8.4, and 9.4 of Appendix A of the PEFA, are not applicable under this Order 1000 Agreement to any Order 1000 Party that is not a Party to the PEFA and shall not constitute obligations of ColumbiaGrid or any Order 1000 Party under this Order 1000 Agreement.

Each Order 1000 Party acknowledges and agrees that, by ColumbiaGrid and the Order 1000 Parties entering into and performing this Order 1000 Agreement, no Order 1000 Party becomes Party to, or third-party beneficiary under, the PEFA.

### **2.3 Draft Biennial Plans and Biennial Plans**

Each Planning Cycle, ColumbiaGrid shall develop and review a Draft Biennial Plan and shall adopt, by majority vote of the Board, a Biennial Plan. Each Draft Biennial Plan shall include the information with respect to any ITP(s), Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), and Order 1000 Project(s) as described in sections 11.1 and 11.4 of Appendix A, as applicable.

## **2.4 Adoption of Plan Updates**

If at any time ColumbiaGrid determines that changes in conditions make a Plan Update appropriate with respect to any Order 1000 Need, ITP, Order 1000 Proposed Project, Order 1000 Eligible Project, or Order 1000 Project, prior to the adoption of the next Biennial Plan in order for there to be sufficient lead time for implementation, Staff shall develop and the Board shall consider for adoption, a Plan Update of the then-current Plan to address such conditions. Any Plan Update shall to the extent practicable be based on the then-most-current assumptions and conditions. After adoption of a Biennial Plan or Plan Update, ColumbiaGrid shall provide all Study Team participants with a copy thereof, and post such Biennial Plan or Plan Update on the Website.

## **2.5 Plan Methodology**

In developing each Plan, ColumbiaGrid will conduct the following activities consistent with this Order 1000 Agreement and endeavor to:

- (i) after consideration of the data and comments supplied by Order 1000 Parties, customers of Order 1000 Parties, and other Interested Persons and stakeholders, develop a Plan that addresses Order 1000 Needs (and transmission needs of any Governmental Non-Enrolled Party identified pursuant to section 2.6 of this Order 1000 Agreement), including those reflecting the specific service requests of transmission customers and that otherwise treats similarly-situated customers (*e.g.*, network and retail native load) comparably in the ColumbiaGrid regional transmission planning process;
- (ii) facilitate analysis of solutions to Order 1000 Needs (and transmission needs of Governmental Non-Enrolled Parties identified pursuant to section 2.6 of this Order 1000 Agreement) as if a single utility owned all relevant generating, transmission, and distribution facilities to enhance efficiency and reduce duplication of facilities, environmental impacts, and costs;
- (iii) perform a system assessment of RIS facilities, taking into account the input of Order 1000 Parties and Interested Persons with respect to Order 1000 Potential Needs, including Order 1000 Potential Needs (and potential transmission needs of any Governmental Non-Enrolled Party to be identified pursuant to section 2.6 of this Order 1000 Agreement) driven by a Public Policy Requirement, reliability, or economic considerations;
- (iv) through the system assessment, identify Order 1000 Needs (and transmission needs of any Governmental Non-Enrolled Party identified pursuant to section 2.6 of this Order 1000 Agreement) for which potential solutions should be identified and evaluated;

- (v) task Study Teams to work in an open, transparent, non-discriminatory, and collaborative manner (subject to ColumbiaGrid's obligation to protect Confidential Information and CEII pursuant to this Order 1000 Agreement) to identify and evaluate solutions to address such Order 1000 Needs (and transmission needs of any Governmental Non-Enrolled Party identified pursuant to section 2.6 of this Order 1000 Agreement) and evaluate such solutions, including, in the case of solutions to Order 1000 Needs, consistency with the solution evaluation factors described in section 2.3 of Appendix A;
- (vi) if properly requested, apply the Order 1000 Cost Allocation Methodology to Order 1000 Projects in accordance with sections 6, 7, or 8 of Appendix A;
- (vii) coordinate, as appropriate, with the planning activities of other regional planning entities and neighboring transmission systems, including Order 1000 Planning Regions other than the Order 1000 ColumbiaGrid Planning Region;
- (viii) recognize each Order 1000 Party's responsibility for planning transmission facilities on its transmission system and responsibility for the planning necessary for its local projects and service of its local loads from its transmission system; and
- (ix) with respect to Order 1000 Non-Transmission Alternatives, defer to the development of such alternatives in other appropriate forums and limit analysis of such alternatives to analysis of whether a proposed Order 1000 Non-Transmission Alternative is adopted by the Person on whose Electric System it would be located.

With respect to any request for transmission service or interconnection received by any Order 1000 Party, nothing in this Order 1000 Agreement shall preclude any Order 1000 Party from responding if and as such Order 1000 Party determines is appropriate under its open access transmission tariff.

## **2.6 Planning Processes Regarding Governmental Non-Enrolled Parties**

**2.6.1** The System Assessment Report(s) that are prepared pursuant to section 3 of Appendix A will, in addition to identifying the information with respect to the Order 1000 ColumbiaGrid Planning Region, also identify need(s) for transmission facilities on the transmission system of any Governmental Non-Enrolled Party, including any such need that is driven by reliability requirements, addresses economic considerations, or is driven by Public Policy Requirements. ColumbiaGrid, in coordination with the Order 1000 Parties and Interested Persons, shall (i) select need(s) for transmission facilities in the ColumbiaGrid Planning Region of any such Governmental Non-Enrolled Party that are projected to occur during the Planning Horizon that should be addressed, (ii) develop conceptual transmission solutions that address any

such need(s), and (iii) indicate whether a non-transmission solution might be viable to eliminate or delay the necessity for a transmission-based solution to such needs. In selecting such needs from among potential needs, ColumbiaGrid shall apply the Order 1000 Needs Factors as if such potential needs were Order 1000 Potential Needs.

**2.6.2** Study Team(s) will, in addition to the purpose and function of Study Team(s) described in section 4 of Appendix A, also be formed and used to evaluate solutions (including Governmental Non-Enrolled Party Non-Transmission Alternatives that would result in the elimination or deferral of a transmission need of a Governmental Non-Enrolled Party) and develop all required elements of a plan(s) of service to address transmission needs identified pursuant to section 2.6.1 of this Order 1000 Agreement. In selecting such transmission solutions from among potential solutions, ColumbiaGrid shall apply the relevant provisions of sections 2, 3, and 4 of Appendix A, including the Order 1000 Planning Criteria set forth in section 2.1 of Appendix A and the factors set forth in section 2.3 of Appendix A, as if the Order 1000 Governmental Non-Enrolled Party was an Order 1000 Enrolled Party and as if such solutions were intended to address Order 1000 Needs. In the event that the Study Team does not reach consensus on all of the elements of the plan(s) of service, Staff shall determine all of the elements, upon which the Study Team did not reach consensus, of the plan(s) of service; *provided that* in making its determination, Staff shall consider any comments by any Order 1000 Party or Interested Person.

### **3. Order 1000 Party Payment Obligations**

#### **3.1 Base Payment Obligation**

Each Person that is an Order 1000 Party shall, except as provided in section 3.2 of this Order 1000 Agreement,

- (i) within sixty days after such Person's execution and delivery of this Order 1000 Agreement, pay to ColumbiaGrid a total amount equal to \$50,000; and
- (ii) commencing upon the expiration of the Planning Cycle in which such Person's payment pursuant to item (i) above was due, thereafter pay to ColumbiaGrid an amount equal to \$2,083.33 per calendar month until such Person has withdrawn or has been deemed to withdraw from this Order 1000 Agreement pursuant to section 13 of this Order 1000 Agreement; each such monthly payment shall be due on the first day of the month for which the payment is to be made.

-For the avoidance of doubt, ColumbiaGrid shall have no obligation under this Order 1000 Agreement to any Order 1000 Party obligated to make payment pursuant to this section 3.1 unless and until such payment is received from such Order 1000 Party by ColumbiaGrid, and such payment shall not be refundable.

ColumbiaGrid or any Order 1000 Party may, by providing written notice to all other signatories to this Order 1000 Agreement, request that ColumbiaGrid and all Order 1000 Parties

review the payment obligation under the first paragraph of this section 3.1 and review whether such payment obligation is set at a level that is expected to reimburse ColumbiaGrid for the additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under this Order 1000 Agreement in the next upcoming even-numbered calendar year and the subsequent year; *provided that* any such request must be given not less than nine full calendar months prior to the commencement of such even-numbered calendar year; *provided further* no such request may be given for review of any two-year period commencing prior to January 1, 2016. Within 60 days after ColumbiaGrid's receipt of any such request for review, ColumbiaGrid shall provide written notice to each Order 1000 Party that provides (a) identification of any adjustment in payments pursuant to the first paragraph of this section 3.1 that ColumbiaGrid believes should be made, in the two-year period for which such request was made, so that such payments equal the additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under this Order 1000 Agreement in such two-year period and (b) documentation demonstrating that such adjustment is necessary in order for such payments to equal the additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under this Order 1000 Agreement in such two-year period. Upon receipt of such notice, ColumbiaGrid and the Order 1000 Parties shall negotiate in good faith to obtain a mutually-agreeable amendment to this Order 1000 Agreement that revises the payments to be made pursuant to the first paragraph of this section 3.1, so that such payments in such two-year period equal the additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under this Order 1000 Agreement in such two-year period. Any such revised monthly payments to be made pursuant to item (ii) of the first paragraph of this section 3.1 shall equal 1/24th of the revised payments to be made pursuant to item (i) of the first paragraph of this section 3.1, and the payments to be made pursuant to the second paragraph of this section 3.1 shall be revised to be equal to the revised payments to be made pursuant to item (i) of the first paragraph of this section 3.1. For purposes of this section 3.1, "additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under this Order 1000 Agreement" refers to administrative expenses of ColumbiaGrid that are reasonably expected to occur but that would not be reasonably expected to occur if ColumbiaGrid were not a signatory to this Order 1000 Agreement and specifically does not include any costs for which ColumbiaGrid should be paid pursuant to the second paragraph of this section 3.1 and specifically does not include any costs for which ColumbiaGrid should be paid pursuant to section 3.3 of this Order 1000 Agreement.

### **3.2 Exemptions from Base Payment Obligation**

Notwithstanding section 3.1 of this Order 1000 Agreement, any ITP Proponent shall have no payment obligation under section 3.1 of this Order 1000 Agreement if ColumbiaGrid determines that an Order 1000 Enrolled Party could be a proponent of an ITP in the Order 1000 Planning Region in which such ITP Proponent is Enrolled (and which is a Relevant Planning Region for such ITP) without there being any payment obligation imposed on such Order 1000 Party in order for it to be a proponent of such ITP.

[Any Order 1000 Party that was a signatory to the 2014 Order 1000 Functional Agreement and made a payment of \\$50,000 as specified therein shall have no obligation under this Order 1000 Agreement to make the \\$50,000 payment specified in item \(i\) of section 3.1 of this Order 1000 Agreement.](#)

An Order 1000 Party that has made a \$50,000 payment pursuant to section 3.1 of this Order 1000 Agreement [\(or as specified in the 2014 Order 1000 Functional Agreement\)](#) but that withdraws or is deemed to withdraw in the Planning Cycle in which such payment was made shall, if it becomes an Order 1000 Party again during the same Planning Cycle, have no obligation to make such \$50,000 payment again but rather shall after such Planning Cycle make any monthly payments due pursuant to section 3.1 of this Order 1000 Agreement.

### **3.3 Incremental Cost Payment Obligation**

Any Order 1000 Enrolled Party that requests an Order 1000 Cost Allocation (or reperformance of an Order 1000 Cost Allocation) pursuant to section 5.2 of Appendix A shall pay to ColumbiaGrid the following incremental ColumbiaGrid costs of performing (or reperforming) such Order 1000 Cost Allocation, as reasonably determined by ColumbiaGrid:

- (i) any time of ColumbiaGrid employees or contractors required to perform such Order 1000 Cost Allocation, charged at the cost per hour of such employees or contractors; and
- (ii) to the extent not included in item (i) above, the incremental cost of any services (or licenses) secured specifically for such Order 1000 Cost Allocation by ColumbiaGrid, as necessary to perform such Order 1000 Cost Allocation, that would not have otherwise been secured; *provided that* if any such services (or licenses) are also used for one or more Order 1000 Cost Allocations during the same Planning Cycle in which ColumbiaGrid initially procured such services (or licenses), ColumbiaGrid shall equitably allocate the costs of such services (or licenses) among the requesters of all such Order 1000 Cost Allocations for which such services (or licenses) are used (and shall provide a credit as appropriate against earlier payments for such services (or licenses) as appropriate to achieve such equitable allocations.

(“Incremental Costs”). Specifically excluded from Incremental Costs of performing any Order 1000 Cost Allocation are (a) any occupancy and incidental costs such as rent, office supplies, or long-distance telephone calls; and (b) any costs described in item (ii) above that ColumbiaGrid would otherwise incur in the absence of performance of any Order 1000 Cost Allocation.

## **4. ColumbiaGrid Transmission Planning Process Requirements**

### **4.1 Duty to Cooperate**

Each Order 1000 Party shall cooperate with and support ColumbiaGrid in the implementation of its responsibilities under this Order 1000 Agreement, which shall, as applicable, include providing data relating to its Electric System or Proposed Order 1000 Need(s) (including data relating to any proposed solutions to address such Proposed Order 1000 Need(s) for which such Order 1000 Party is a proponent) and individual Order 1000 Party transmission planning criteria and performing technical studies regarding its transmission system (or Proposed Order 1000 Need(s)) as it relates to the RIS. Specifically, each Order 1000 Party shall

participate in, and support, ColumbiaGrid performing annual system assessments and shall participate actively in the Study Teams that are formed to address Order 1000 Needs or develop Order 1000 Proposed Projects for which such Order 1000 Party is an Order 1000 Affected Person. Each Order 1000 Party performing studies contemplated under this Order 1000 Agreement shall keep the Staff informed about those studies and seek the input of the Staff, as appropriate, and shall provide the final studies to the Staff for the use of ColumbiaGrid. Nothing in this Order 1000 Agreement shall prohibit an Order 1000 Party from constructing a transmission facility or expanding its Electric System in a manner that has not yet been reflected in a Plan; *provided that* nothing in this Order 1000 Agreement shall preclude ColumbiaGrid from determining through a system assessment that there are still unmet Order 1000 Need(s) notwithstanding any such facility or expansion or any other facility or expansion. Nothing in this section 4.1 is intended to prevent ColumbiaGrid from performing studies as needed in accordance with this Order 1000 Agreement.

#### **4.2 Coordinated, Open, Transparent, and Non-Discriminatory Nature of Process**

ColumbiaGrid shall endeavor to implement the transmission planning processes under this Order 1000 Agreement in a coordinated, open, transparent, non-discriminatory, and participatory manner, subject to ColumbiaGrid's obligation to protect Confidential Information and CEII pursuant to this Order 1000 Agreement. These processes are not intended to create any Third Person remedies or rights as to the adequacy of ColumbiaGrid's processes or public review.

#### **4.3 Notice to Potentially Interested Persons**

ColumbiaGrid shall, in consultation with each Study Team, endeavor to notify the following Persons of the formation and scope of activities of such Study Team with respect to any proposed solution to an Order 1000 Need(s): (i) all Order 1000 Affected Persons with respect to such solution, (ii) all Persons potentially interested in such Study Team, and (iii) the Interested Persons List, including Pacific Northwest transmission owners and operators and State, Provincial, and Tribal representatives on the Interested Persons List. ColumbiaGrid shall develop protocols regarding procedures designed to identify and notify States and Provinces, including agencies responsible for facility siting, utility regulation, and general energy policy, Tribes, and Pacific Northwest transmission owners and operators that are potentially impacted by Order 1000 Needs or solutions regarding the activities of Study Teams addressing such Order 1000 Needs or solutions. For example, the protocol should include a provision stating that at such time as it becomes apparent to a Study Team that Tribal resources or lands may be impacted, ColumbiaGrid should make a reasonable attempt to notify potentially impacted Tribes of its work. ColumbiaGrid may work with the Order 1000 Parties and Pacific Northwest Tribes to compile a database of Tribal lands and culturally significant areas for use under such a protocol.

#### **4.4 Use of Study Teams**

ColumbiaGrid shall assemble Study Teams as more fully described in Appendix A to this Order 1000 Agreement and in Appendix A to the PEFA. Such Study Teams are intended to be the primary tool for participation by Order 1000 Parties, Order 1000 Affected Persons, and

Interested Persons in the development of transmission solutions under this Order 1000 Agreement. Study Team participants shall bear their own costs of participation. ColumbiaGrid may establish terms and conditions it determines appropriate for participation by any Person in a Study Team, including terms and conditions relating to protection of Confidential Information and CEIL.

#### **4.5 Development of Protocol for Communications With and Receiving Input from States, Provinces, and Tribes**

ColumbiaGrid shall maintain protocols to foster the collaborative involvement of States, Provinces, and Tribes in the ColumbiaGrid transmission planning processes under this Order 1000 Agreement. Such protocols shall guide ColumbiaGrid's communications with Relevant State and Provincial Agencies and Tribes regarding the ColumbiaGrid transmission planning processes under this Order 1000 Agreement and shall include the following.

**4.5.1 Roles of States and Provincial Agencies in the ColumbiaGrid Transmission Planning Processes.** ColumbiaGrid shall maintain as part of its list of Interested Persons an up-to-date service list of Relevant State and Provincial Agencies that have indicated interest in participation in ColumbiaGrid's transmission planning activities or otherwise interested in collaborative involvement with ColumbiaGrid. All Relevant State and Provincial Agencies may participate as non-decisional participants in any Study Team involved in the ColumbiaGrid transmission planning processes as set forth in Appendix A. In addition, ColumbiaGrid shall provide the opportunity for direct consultation between its Board or Staff and any Relevant State and Provincial Agency whenever requested by the Agency. Such requests can be in response to proposed ColumbiaGrid actions, at the discretion of the Relevant State and Provincial Agency, or at the request of ColumbiaGrid Board. ColumbiaGrid shall endeavor to have such collaborative consultations take place with any Relevant State and Provincial Agency at least once a year unless deemed unnecessary by such Relevant State and Provincial Agency. Such consultations shall take place at locations selected by the Relevant State and Provincial Agency within reasonable time and budget constraints, and, if requested by the Relevant State and Provincial Agency, shall be an open public meeting.

**4.5.2 Development of Protocol for Communications With and Receiving Input From Tribes.** ColumbiaGrid shall develop a protocol to foster the collaborative involvement of Pacific Northwest Tribes in the ColumbiaGrid transmission planning processes under this Order 1000 Agreement. Such protocol shall guide ColumbiaGrid's communications with the Tribes and shall include provisions to keep the Tribes informed regarding ColumbiaGrid's activities as well as provisions to receive input from the Tribes and their authorized representatives in the transmission planning processes. For example, the protocol should include a provision stating that at such time as it becomes apparent to a Study Team that Tribal resources or lands may be impacted, ColumbiaGrid should make a reasonable attempt to notify potentially impacted Tribes of its work. ColumbiaGrid may work with the Order 1000 Parties, Pacific Northwest Tribes, and Interested Persons to compile a database of Tribal lands and culturally significant areas for use under such a protocol.

#### **4.6 ColumbiaGrid Development of WECC Submittals**

ColumbiaGrid Staff shall, in consultation with each TOPP that is an Order 1000 Party (and any other Order 1000 Parties as appropriate), develop data submittals on behalf of such Order 1000 Parties for WECC base case development purposes. Each Order 1000 Party agrees to submit to ColumbiaGrid its underlying data for the WECC submittals.

#### **4.7 Third Person Access to ColumbiaGrid Data and Analysis**

ColumbiaGrid shall develop, and revise as necessary, policies regarding the provision of planning data or analysis to Third Persons subject to the appropriate treatment of Confidential Information, information relating to Standards of Conduct matters, and CEII; *provided that* ColumbiaGrid shall make clear on the Website and in other distributions that such data and analysis is being provided as is and that any reliance by the user on such data or analysis is at its own risk and, specifically, shall make clear (and shall require Third Persons receiving such data or analysis from ColumbiaGrid to enter into separate contracts agreeing) that any such data or analysis is not warranted by ColumbiaGrid or any Order 1000 Party and that neither ColumbiaGrid nor any Order 1000 Party is responsible for any such data or analysis, for any errors or omissions in such data, or for any delay or failure to provide any such data or analysis to such Third Persons.

### **5. Standards of ColumbiaGrid Performance**

ColumbiaGrid shall carry out its obligations under this Order 1000 Agreement in an efficient, expeditious, professional, and skillful manner. In providing transmission planning services to Order 1000 Parties under this Order 1000 Agreement, ColumbiaGrid shall comply with all applicable laws, ordinances, rules, regulations, orders, licenses, permits, and other governmental requirements (including, but not limited to, any such requirements imposed upon Order 1000 Parties with respect to ColumbiaGrid's provision of transmission planning services); *provided that* regulatory requirements imposed on any single Order 1000 Party shall not be deemed applicable to other Order 1000 Parties as a result of this Order 1000 Agreement, nor shall ColumbiaGrid apply in its processes any such regulatory requirements to other Order 1000 Parties that are not otherwise applicable to such other Order 1000 Parties.

### **6. Authorization of ColumbiaGrid Performance Under This Order 1000 Agreement; Scope of This Order 1000 Agreement**

#### **6.1 Authorization for ColumbiaGrid to Perform Obligations Under This Order 1000 Agreement**

Unless specifically otherwise provided in this Order 1000 Agreement, ColumbiaGrid is authorized, pursuant to Section 6.1 of the Bylaws, to engage on its own behalf, and not as agent for Order 1000 Parties, in any activity reasonably necessary to perform its obligations under this Order 1000 Agreement, including the hiring of contractors or consultants.

## **6.2 Scope of This Order 1000 Agreement**

Consistent with Order 1000, the Order 1000 Parties intend this Order 1000 Agreement to facilitate fair regional transmission planning processes and do not intend this Order 1000 Agreement to dictate substantive outcomes of such processes. Nothing in this Order 1000 Agreement (i) creates any obligation of any Person to construct or operate any transmission facilities, (ii) authorizes or requires any Person to be, or prohibits any Person from being, an owner or operator of any transmission facilities (including any Person that is or is not qualified or identified as a developer, owner, or operator pursuant to this Order 1000 Agreement), or (iii) authorizes ColumbiaGrid to own, operate, or otherwise control any transmission facilities in any way.

Nothing in this Order 1000 Agreement will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

## **7. Limitation of Liability Among Order 1000 Parties**

Each Order 1000 Party at any time that is both eligible to be a party to the WIS Agreement and operates electrical facilities for generation, transmission, or distribution shall become and remain at all such times a party to the WIS Agreement as a condition of participation in this Order 1000 Agreement.

## **8. Insurance, Indemnification, and Limitations of Liability**

To promote cooperation between and among ColumbiaGrid and the Order 1000 Parties, to avoid duplication of costs, and to carry out the purposes of this Order 1000 Agreement, ColumbiaGrid and the Order 1000 Parties agree to the following provisions for insurance, indemnification, and limited liability.

### **8.1 Insurance; Waiver of Subrogation Rights**

**8.1.1 ColumbiaGrid Insurance Coverage Requirements.** Throughout the term of this Order 1000 Agreement, ColumbiaGrid shall maintain insurance coverage that at a minimum:

- (i) provides general liability and errors and omissions insurance with respect to ColumbiaGrid's performance under this Order 1000 Agreement;
- (ii) provides for maximum per-occurrence self-insured retention in an amount approved in writing by each Order 1000 Party that is an Order 1000 Party as of the Effective Date;
- (iii) provides general liability coverage limits (with each Order 1000 Party that so opts in writing named as an additional insured) in an amount approved in writing by each Order 1000 Party that is an Order 1000 Party as of the Effective Date and separate errors and

omission coverage limits in an amount approved in writing by each Order 1000 Party that is an Order 1000 Party as of the Effective Date;

- (iv) provides an agreement or endorsement under which the insurance cannot be terminated, canceled, allowed to expire, or materially altered without 90 days' prior written notice to ColumbiaGrid and provides that such policy is primary over any other insurance; and
- (v) provides that ColumbiaGrid's insurer shall be bound by any waivers of the insurer's rights of subrogation granted by ColumbiaGrid.

**8.1.2 Waiver of Subrogation Rights.** ColumbiaGrid hereby waives all rights of subrogation its insurer(s) may have against the Order 1000 Parties and any former Order 1000 Parties.

## **8.2 ColumbiaGrid's Obligation to Notify Order 1000 Parties with Respect to Insurance**

ColumbiaGrid shall not consent or allow that the insurance required under section 8.1.1 of this Order 1000 Agreement above to be terminated, canceled, allowed to expire, or materially altered without providing at least 90 days' advance notice to the Order 1000 Parties. ColumbiaGrid shall notify the Order 1000 Parties with the name, address, telephone number, facsimile number, and email of all insurance brokers used by ColumbiaGrid.

## **8.3 First Party Claims**

ColumbiaGrid shall not be liable to any Order 1000 Party for any loss or damage to the equipment or Electric System of such Order 1000 Party, or any loss or damages for bodily injury (including death) that such Order 1000 Party or its employees may incur arising out of this Order 1000 Agreement or its performance.

## **8.4 Third Person Claims**

**8.4.1** In the event Third Person claims are made against ColumbiaGrid or any Order 1000 Party arising out of this Order 1000 Agreement or its performance, ColumbiaGrid and the Order 1000 Parties agree as follows.

**8.4.2** In the event of any such claim, the party against which the Third Person claim is made shall provide immediate notice to ColumbiaGrid and the other Order 1000 Parties, as applicable, pursuant to section 14.1 of this Order 1000 Agreement. ColumbiaGrid and the Order 1000 Parties shall establish a Claims Committee comprised of representatives of ColumbiaGrid and each Order 1000 Party. ColumbiaGrid and each Order 1000 Party shall designate in writing its representative to serve on the Claims Committee; *provided however that* no party shall be required to serve (or designate a representative to serve) on the Claims Committee if, in such party's sole discretion, such service could create a conflict of interest or would otherwise be prohibited by law. ColumbiaGrid and all Order 1000 Parties shall make

such immediate efforts as necessary to preserve evidence or protect against default judgment, and shall provide notice to the Claims Committee by giving notice to ColumbiaGrid and each Order 1000 Party and to the broker(s) identified pursuant to section 8.2 of this Order 1000 Agreement above with respect to the insurance policy(ies) described in section 8.1.1 of this Order 1000 Agreement.

**8.4.3** ColumbiaGrid shall provide notice to each Order 1000 Party and as necessary to its insurance carrier, and refer such matter to the Claims Committee. ColumbiaGrid and the Order 1000 Parties anticipate that the Claims Committee shall have responsibility to (i) review any such claims, (ii) take action as necessary to properly investigate, evaluate, and defend such claims, and (iii) make recommendations regarding payment, rejection, or compromise of such claims.

**8.4.4** In the event of legal action resulting from the denial of any such claim, ColumbiaGrid and the Order 1000 Parties anticipate that the Claims Committee shall recommend suitably qualified legal counsel to defend such claims. Subject to this section 8.4.4 and to the extent permitted by law, ColumbiaGrid and the Order 1000 Parties agree, except where there is an irreconcilable conflict of interest, to endeavor to (i) consent to joint representation in defense of such legal action and (ii) make good faith efforts to enter into a mutually acceptable joint representation agreement to facilitate cooperation, information sharing, and protection of attorney-client privilege and work product in connection with the joint defense. If joint representation is precluded by an irreconcilable conflict of interest or for any other reason, the party(ies) unable or unwilling to participate in joint representation shall obtain legal counsel of its own choice, at its own expense, to defend itself in such legal action. Bonneville Power Administration as an Order 1000 Party may, but shall not be obligated to, comply with section 8.4.3 of this Order 1000 Agreement and this section 8.4.4 with respect to any claim against and presented to Bonneville Power Administration.

**8.4.5** Where the claim or legal action arises in whole or in part from allegedly negligent actions or inactions of ColumbiaGrid in performance of its obligations of this Order 1000 Agreement, the self-insured retention and the policy coverage described in section 8.1.1 of this Order 1000 Agreement shall be regarded as primary with respect to payments or judgments resulting from any such claim or legal action. Payments shall include reasonable attorneys' fees and costs of investigation and defense. To the extent of insurance coverage and the extent permitted by applicable law, ColumbiaGrid shall indemnify, defend, and hold each Order 1000 Party harmless from and against all damages based upon or arising out of bodily injuries or damages to any Third Person(s) or parties, including without limitation death resulting therefrom, or physical damages to or losses of property caused by, arising out of, or sustained in connection with performance of this Order 1000 Agreement to the extent attributable to the negligence of ColumbiaGrid or its employees, agents, suppliers, and subcontractors (including suppliers and subcontractors of subcontractors; hereinafter "Subcontractors"). As used in this section 8.4 and in sections 8.3 and 8.5 of this Order 1000 Agreement, "damages" means any claims, losses, costs, expenses, damages (including without limitation direct, indirect, incidental, consequential, special, exemplary, and punitive damages), payments made in settlement, arbitration awards, and liabilities, including reasonable attorneys' fees.

## **8.5 Inaccurate or Incomplete Data or Information**

Liability as between and among ColumbiaGrid and Order 1000 Parties and as between and among Order 1000 Parties for incomplete or inaccurate data or information shall be subject to the limitations set forth in section 8.6 of this Order 1000 Agreement, and shall be limited as follows. ColumbiaGrid and each Order 1000 Party shall make good faith efforts to cause data and information provided under this Order 1000 Agreement to be accurate; *provided however that* neither ColumbiaGrid nor any Order 1000 Party shall be liable for damages resulting from the provision of inaccurate or incomplete data or information, except to the extent that such inaccuracy or incompleteness results from ColumbiaGrid's or an Order 1000 Party's(ies') Willful Action.

## **8.6 Limitation of Damages**

As between and among ColumbiaGrid and Order 1000 Parties and as between and among Order 1000 Parties, each of those parties waives as against the other of those parties (including its directors, commissioners, officers, and employees) all claims, and otherwise covenants not to sue or otherwise pursue any claim or remedy, arising out of or in connection with this Order 1000 Agreement or its performance (whether based on contract, tort, or any other legal theory), except for:

- (i) claims arising under section 8.4.5 of this Order 1000 Agreement with respect to Third Person actions; and
- (ii) claims for actual, direct damages only, which shall under no circumstances include any lost profits, lost data, or any indirect, incidental, consequential, special, exemplary, or punitive damages;

*provided that* nothing in this Order 1000 Agreement shall apply to claims for loss or damage between or among Order 1000 Parties that are within the scope of the WIS Agreement.

## **9. Uncontrollable Force**

Neither ColumbiaGrid nor any Order 1000 Party shall be in breach of this Order 1000 Agreement as a result of such party's failure or delay to perform its obligations under this Order 1000 Agreement when such failure is caused by an Uncontrollable Force that such party, despite the exercise of due diligence, is unable to remove with reasonable dispatch; *provided however that* such party shall have the right to suspend performance of such obligations only to the extent and for the duration that the Uncontrollable Force actually and reasonably prevents the performance of such obligations by such party. In the event of the occurrence of an Uncontrollable Force that delays or prevents a party's performance of any of its obligations under this Order 1000 Agreement, such party shall (i) immediately notify the other parties to this Order 1000 Agreement of such Uncontrollable Force with such notice to be confirmed in writing as soon as reasonably practicable, (ii) use due diligence to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligations under this Order 1000 Agreement, (iii) keep the other parties to this Order 1000 Agreement apprised of such efforts on an ongoing basis, and (iv) provide written notice to the other parties to this Order 1000 Agreement of the resumption of performance under this Order

1000 Agreement. Notwithstanding any of the foregoing, the settlement of any strike, lockout, or labor dispute constituting an Uncontrollable Force shall be within the sole discretion of the party to this Order 1000 Agreement involved in such strike, lockout, or labor dispute; and the requirement that a party to this Order 1000 Agreement must use due diligence to remedy the cause of the Uncontrollable Force or mitigate its effects and resume full performance under this Order 1000 Agreement shall not apply to strikes, lockouts, or labor disputes.

## **10. Assignments and Conveyances**

### **10.1 Successors and Assigns**

This Order 1000 Agreement is binding on and shall inure to the benefit of ColumbiaGrid and the Order 1000 Parties and to each of their respective successors, permitted assigns, and legal representatives.

### **10.2 Assignment of ColumbiaGrid's Rights and Obligations**

ColumbiaGrid shall not, without the prior written consent of each of the Order 1000 Parties, assign, pledge, or transfer all or any part of, or any right or obligation under, this Order 1000 Agreement, whether voluntarily or by operation of law; *provided that* nothing in this section 10.2 shall prohibit ColumbiaGrid from contracting with Third Persons for the provision of services to assist ColumbiaGrid in performing its obligations under this Order 1000 Agreement.

### **10.3 Assignment of an Order 1000 Party's Rights and Obligations**

Except as otherwise provided in section 10.4 of this Order 1000 Agreement, an Order 1000 Party shall not, without the prior written consent of ColumbiaGrid, assign, pledge, or transfer all or any part of, or any right or obligation under, this Order 1000 Agreement, whether voluntarily or by operation of law; *provided however that* an Order 1000 Party may, without the consent of ColumbiaGrid, assign its rights and obligations under this Order 1000 Agreement to any Person (i) into which the Order 1000 Party is merged or consolidated or (ii) to which the Order 1000 Party sells, transfers, or assigns all or substantially all of its Electric System, so long as the survivor in any such merger or consolidation, or the purchaser, transferee, or assignee of such Electric System provides to ColumbiaGrid a valid and binding written agreement expressly assuming and agreeing to be bound by all obligations of the Order 1000 Party under this Order 1000 Agreement.

### **10.4 Assignment of Facilities**

Notwithstanding any other provision of this Order 1000 Agreement, an Order 1000 Party may pledge or assign all or any portion of its transmission system without ColumbiaGrid's or any other Order 1000 Party's consent.

### **10.5 Effect of Permitted Assignment**

In the event of any permitted sale, transfer, or assignment under this Order 1000 Agreement, the transferor or assignor shall to the extent of the transferred or assigned

obligations, and only to such extent, be relieved of obligations accruing from and after the effective date of such transfer or assignment; *provided however that* under no circumstances shall any sale, transfer, or assignment relieve the transferor or assignor of any liability for any breach of this Order 1000 Agreement occurring prior to the effective date of such transfer or assignment.

#### **10.6 Consent Not Unreasonably Denied or Delayed**

Consents to assignment, pledge, or transfer requested pursuant to this section 10 shall not be unreasonably denied or delayed.

### **11. Submission of, Access to, and Use of Certain Information**

#### **11.1 Load and Resource Information**

Each Order 1000 Enrolled Party will by January 31st of each year provide ColumbiaGrid with

- (i) any then-current Local Transmission Plan of such Order 1000 Enrolled Party;
- (ii) data regarding projected loads and resources of such Order 1000 Enrolled Party, including projections of network customer loads and resources and projected point-to-point transmission service information; and
- (iii) data regarding existing and planned demand response resources not reflected in item (ii) above that are anticipated to affect such Order 1000 Enrolled Party's projected loads and resources reflected in item (ii) above.

Such information regarding projected transmission needs, loads, and resources of such Order 1000 Enrolled Party will typically be provided in the underlying data for WECC submittals provided by such Order 1000 Enrolled Party pursuant to section 4.6 of this Order 1000 Agreement; *provided that* such Order 1000 Enrolled Party will provide any updates to such information regarding projected transmission needs, loads, and resources upon ColumbiaGrid's request. Each Order 1000 Enrolled Party providing to ColumbiaGrid pursuant to this section 11.1 any information (including any update) that is a projection shall use reasonable efforts to provide a good faith projection thereof.

A transmission customer of an Order 1000 Enrolled Party or Governmental Non-Enrolled Party is to submit to such party, in accordance with and on the schedule set forth in its Attachment K, if any, transmission planning information regarding projected transmission needs, loads, and resources of such transmission customer. Interested Persons may also submit to ColumbiaGrid data regarding ten-year projected loads and resources, including existing and planned demand response resources, on the Order 1000 Transmission System of any Order 1000 Enrolled Party or on the transmission system of any Governmental Non-Enrolled Party. Such submittals to ColumbiaGrid should if practicable be submitted (a) by January 31st of any year to

facilitate the availability of information for use in ColumbiaGrid planning in such year, and (b) in the format for WECC submittals pursuant to section 4.6 of this Order 1000 Agreement. The format for the data files for WECC submittal is available from ColumbiaGrid upon request.

Any Governmental Non-Enrolled Party shall provide ColumbiaGrid with the information required by this section 11.1 (or by section 4.1 or 4.6 of this Order 1000 Agreement or by section 3.2.2 of Appendix A) as if it were an Order 1000 Enrolled Party.

ColumbiaGrid shall have no obligation under this Order 1000 Agreement to evaluate the validity or accuracy of any information it receives pursuant to this section 11.1 but may so evaluate the validity or accuracy of any such information if ColumbiaGrid determines such evaluation to be appropriate and reasonable. Similarly, ColumbiaGrid shall have no obligation to use any information for any purpose under this Order 1000 Agreement that ColumbiaGrid determines to be inappropriate or unreasonable for such use and may, in lieu thereof, substitute information that ColumbiaGrid determines to be appropriate and reasonable for such use.

## **11.2 Access to Study Reports and Order 1000 Replication Data from ColumbiaGrid**

ColumbiaGrid will post on the Website a list of the names of planning studies it has performed pursuant to this Order 1000 Agreement that underlie analysis of any Order 1000 Need(s), Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), or Order 1000 Project(s) and maintain such names on such list for a period of not less than five years. ColumbiaGrid will, subject to the other provisions of this section 11, make available the final report for any such study to any Interested Person upon receipt thereof by ColumbiaGrid of written request for such final report during a period of not less than five years following completion of such final report. Also, ColumbiaGrid will, subject to the other provisions of this section 11, make available the Order 1000 Replication Data for any planning study upon receipt thereof by ColumbiaGrid of written request for such Order 1000 Replication Data during a period of not less than five years following completion of such final report.

Access by any Person (such as an Interested Person) to, and use by any Person (such as an Interested Person) of, any planning study performed by ColumbiaGrid pursuant to this Order 1000 Agreement or any Order 1000 Replication Data shall be subject to any CEII restrictions and any confidentiality or other restrictions on access or use reasonably imposed by ColumbiaGrid, including, for example, requirements of either or both a CEII Non-Disclosure Agreement and Confidential Information Non-Disclosure Agreement. Further, such access by any Person (such as an Interested Person) to, and use by any Person (such as an Interested Person) of, any planning study performed by ColumbiaGrid pursuant to this Order 1000 Agreement or any Order 1000 Replication Data that ColumbiaGrid has received from any other entity may be subject to any restrictions on access to such data imposed by such entity. For example, any access to data such as Order 1000 Replication Data that constitutes WECC base case data by any entity such as an Interested Person is subject to any restrictions on access to data imposed by WECC (such as a requirement that such entity must hold membership in or execute a non-disclosure agreement with WECC (<http://www.wecc.biz>)) and the procedures set forth in the provisions of this section 11.

### **11.3 Use of Order 1000 Replication Data Received From ColumbiaGrid**

ColumbiaGrid shall, subject to the other provisions of this section 11, provide Order 1000 Replication Data to any Person who agrees in writing to use such data solely for the purpose of evaluating the results of ColumbiaGrid's planning studies performed pursuant to this Order 1000 Agreement.

### **11.4 Confidential Information**

Order 1000 Parties seeking designation of Confidential Information shall act in good faith when asserting the confidentiality of material. Each Order 1000 Party shall use reasonable efforts to maintain the confidentiality of all Confidential Information provided to it by another Order 1000 Party or ColumbiaGrid pursuant to this Order 1000 Agreement. ColumbiaGrid shall not post Confidential Information on the public portion of the Website and ColumbiaGrid will only disclose Confidential Information in accordance with this section 11, including the procedures in section 11.6 of this Order 1000 Agreement.

In the event a dispute arises related to the designation of Confidential Information under this Order 1000 Agreement, representatives of the disputing Order 1000 Parties (and ColumbiaGrid, if party to the dispute) with authority to settle the dispute shall meet and confer in good faith in an effort to resolve the dispute. If the dispute is not so resolved, the dispute may, if the disputing Order 1000 Parties (and ColumbiaGrid, if party to the dispute) so elect, be resolved by arbitration as follows. Any arbitration initiated under this Order 1000 Agreement shall be conducted before a single, neutral arbitrator appointed by the disputing parties. If the disputing parties fail to agree upon a single arbitrator within ten days of the referral of the dispute to arbitration, each such disputing party shall choose one arbitrator who shall sit on a three member arbitration panel. The two arbitrators so chosen shall within 20 days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric industry matters, including electric transmission issues, and, unless otherwise agreed by the parties to the dispute, shall not have any current or past substantial business or financial relationships with any such party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the parties to the arbitration an opportunity to be heard and shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

### **11.5 Critical Energy Infrastructure Information**

If an Order 1000 Party furnishes information marked, or ColumbiaGrid marks information, as "Critical Energy Infrastructure Information" as of the time of its furnishing, ColumbiaGrid shall not post such information on the public portion of the Website and ColumbiaGrid will only disclose such CEII in accordance with this section 11, including the procedures in section 11.6 of this Order 1000 Agreement. Further, if information designated as CEII is made part of a filing submitted by ColumbiaGrid with the Commission, ColumbiaGrid shall take reasonable steps to ensure the protection of such information pursuant to 18 C.F.R. § 388.112(b).

## **11.6 Requests for Planning Studies and Order 1000 Replication Data; Disclosure of WECC Proprietary Data, Confidential Information, or CEII**

Any Person may request information from ColumbiaGrid, including ColumbiaGrid's planning studies and Order 1000 Replication Data, in accordance with this section 11.6. ColumbiaGrid's planning studies and Order 1000 Replication Data may include base case data (or other data) that are WECC proprietary data and may include information that an Order 1000 Party has designated as Confidential Information or CEII. ColumbiaGrid shall provide its planning studies and Order 1000 Replication Data in accordance with this section 11.6; *provided however that* ColumbiaGrid shall not disclose any WECC proprietary data, Confidential Information or CEII except as provided in this section 11.6.

A requester may request information from ColumbiaGrid using the procedures set forth below.

- (i) A requester shall submit a signed, written request for information specifying the information being requested (on the planning information request form included on the Website) to ColumbiaGrid either via mail or email (PDF) at the following address, in accordance with the ColumbiaGrid information request procedures posted on the Website:

ColumbiaGrid  
8338 NE Alderwood Road  
Portland, OR 97220  
Attn: Information Coordinator  
email: [info@columbiagrid.org](mailto:info@columbiagrid.org)

- (ii) Requests for information made to ColumbiaGrid will be considered to be received upon actual receipt by ColumbiaGrid.
- (iii) ColumbiaGrid will promptly make a determination of whether any requested information includes WECC proprietary data, Confidential Information, or CEII.
- (iv) After making its determination required in item (iii) above, ColumbiaGrid will promptly notify the requester if any of the requested information includes any WECC proprietary data, Confidential Information, or CEII.
- (v) A Person requesting WECC proprietary data must certify to ColumbiaGrid that it holds membership in WECC or it has executed a non-disclosure agreement with WECC such that ColumbiaGrid may disclose such WECC proprietary data to the requester. ColumbiaGrid will provide WECC proprietary data to the requester upon its receipt of verification that the requester is eligible to receive such data as a member of WECC or a Person who has executed a satisfactory non-disclosure agreement with

WECC. In the event that a Person requests information that includes WECC proprietary data and such Person cannot or does not certify to ColumbiaGrid, or ColumbiaGrid cannot verify, that such person is eligible to receive WECC proprietary data, ColumbiaGrid will provide such Person that portion of the requested information that is not WECC proprietary data and shall direct such Person to WECC so that such Person can work with WECC to satisfy the conditions necessary for ColumbiaGrid to disclose WECC proprietary data to such Person or so that such Person may seek any WECC proprietary data directly from WECC.

- (vi) If ColumbiaGrid receives a request for Confidential Information or CEII, ColumbiaGrid shall immediately notify the Order 1000 Party(ies) who has designated such information as Confidential Information or CEII (or, if ColumbiaGrid has designated information as CEII, the Order 1000 Party's(ies') whose Electric System(s) the CEII is associated with) and shall seek the consent of such Order 1000 Party(ies) to release such information. Upon receipt of the notice from ColumbiaGrid required by this item (vi), each Order 1000 Party that designated such information as Confidential Information or CEII (or whose Electrical System is associated with the CEII) may (a) consent to the disclosure of such information without condition, (b) consent to the disclosure of such information subject to reasonable conditions (*e.g.*, the Person requesting such information entering into a confidentiality agreement or non-disclosure agreement or both with ColumbiaGrid that is reasonably acceptable to such Order 1000 Party), or (c) decline to consent to the disclosure by ColumbiaGrid of such Confidential Information or CEII. If an Order 1000 Party that designated such information as Confidential Information or CEII, or an Order 1000 Party whose Electrical System is associated with CEII, consents to ColumbiaGrid's disclosure of such information, ColumbiaGrid shall disclose such information to the requester if the reasonable conditions to such disclosure requested by the Order 1000 Party, if any, are satisfied. If an Order 1000 Party that designated such information as Confidential Information or CEII, or an Order 1000 Party whose Electrical System is associated with CEII, declines to consent to ColumbiaGrid disclosing such information, ColumbiaGrid shall (a) not release or disclose such information, (b) notify the Person requesting such information that such Order 1000 Party has declined to consent to ColumbiaGrid disclosing such information, and (c) direct the Person requesting such information to request such information directly from such Order 1000 Party. The Order 1000 Party shall process any resulting requests it receives for such Confidential Information or

CEII in accordance with its procedure for processing such requests for Confidential Information or CEII.

- (vii) To the extent that a Person requests information that is not Confidential Information, but is ColumbiaGrid's confidential or proprietary information, ColumbiaGrid may, in its sole discretion, release or disclose such information subject to such reasonable conditions (*e.g.*, the Person requesting such information entering into a confidentiality agreement or non-disclosure agreement or both reasonably acceptable to ColumbiaGrid) as ColumbiaGrid may deem necessary.
- (viii) Nothing in this section 11.6 shall excuse ColumbiaGrid from providing access to Confidential Information, CEII, or information that is ColumbiaGrid's confidential or proprietary information pursuant to any legal requirement to provide such access, including a subpoena or specific order by the Commission. In the event that ColumbiaGrid is required to provide access to Confidential Information or CEII pursuant to this item (viii), ColumbiaGrid shall promptly provide notice of such requirement to the Order 1000 Party that designated such information as Confidential Information or CEII and ColumbiaGrid shall take reasonable steps to protect the confidentiality of such information.

#### **11.7 Disclosure of Confidential Information Pursuant to Statute or Administrative or Judicial Order**

Order 1000 Party(ies) and ColumbiaGrid shall each use reasonable efforts to maintain the confidentiality of all Confidential Information provided to it by another Order 1000 Party or ColumbiaGrid pursuant to this Order 1000 Agreement; *provided however that* Order 1000 Party(ies) and ColumbiaGrid shall each be entitled to disclose such Confidential Information if it is required to make such disclosure by statute or administrative or judicial order. Order 1000 Party(ies) and ColumbiaGrid shall, promptly upon its receipt of a request for such Confidential Information, each notify ColumbiaGrid and the Order 1000 Party that designated such information as Confidential Information of any such request. An Order 1000 Party or ColumbiaGrid whose Confidential Information is sought to be released may, in its sole discretion and at its sole cost and expense, undertake any challenge to such disclosure.

#### **11.8 Disclosure of Information Subject to Standards of Conduct**

If an Order 1000 Party furnishes information marked as "Standards of Conduct Information" at the time of its furnishing, ColumbiaGrid shall not disclose such information to any Person, including the disclosing Order 1000 Party, unless such disclosure would be consistent with the Commission's regulations in 18 C.F.R. Part 358.

## **12. Dates as of Which this Order 1000 Agreement Becomes Effective**

### **12.1 Initial Order 1000 Parties**

This Order 1000 Agreement is initially executed and entered into between and among ColumbiaGrid, Avista Corporation, Puget Sound Energy, Inc., and MATL LLP and shall become effective as to ColumbiaGrid and all such initially executing Order 1000 Parties as of the date the respective Attachment Ks based upon this Order 1000 Agreement of each of Avista Corporation, Puget Sound Energy, Inc., and MATL LLP become effective (“Effective Date”).

Upon the Effective Date, this Order 1000 Agreement shall supersede and replace in its entirety (i) the ~~“2013 Order 1000 Functional Agreement” entered into as of December 17, 2013 among ColumbiaGrid, Avista Corporation, Puget Sound Energy, Inc., and MATL LLP~~(ii) the 2014 Order 1000 Functional Agreement.

### **12.2 Subsequent Order 1000 Parties**

With respect to any Order 1000 Party that enters into this Order 1000 Agreement after the date this Order 1000 Agreement is initially entered into between and among ColumbiaGrid, Avista Corporation, Puget Sound Energy, Inc., and MATL LLP pursuant to section 12.1 of this Order 1000 Agreement, this Order 1000 Agreement shall be effective as to such Order 1000 Party as of the date it executes this Order 1000 Agreement by executing a counterpart signature page of this Order 1000 Agreement and delivers such counterpart signature page to ColumbiaGrid, which shall maintain such original counterpart signature page and shall prepare and distribute a conformed copy thereof to each of the Order 1000 Parties. No Person may become an Order 1000 Enrolled Party during any calendar year unless such Person has become an Order 1000 Enrolled Party not later than thirty days after the ~~occurrence~~posting of the Final System Assessment Report and the Order 1000 Needs Meeting during Need Statements for such calendar year.

No Person is required to be an Order 1000 Party in order to participate pursuant to this Order 1000 Agreement in a Study Team, to request qualification of any proposed developer(s), owner(s), or operator(s) of an Order 1000 Project pursuant to section 2.5 of Appendix A, or to request consideration of the impact of a proposed Order 1000 Merchant Transmission Project pursuant to section 2.7 of Appendix A.

### **12.3 Renegotiation of This Order 1000 Agreement**

If the Commission requires changes in any Order 1000 Party’s Attachment K and a modification of this Order 1000 Agreement is required for such Order 1000 Party to comply with such Commission’s requirement, the Order 1000 Parties agree to negotiate in good faith in an attempt to modify this Order 1000 Agreement as appropriate to reflect such required changes in such Attachment K.

## **13. Withdrawal by Order 1000 Party**

**13.1** Any Order 1000 Party may withdraw from this Order 1000 Agreement by providing written notice of such withdrawal to ColumbiaGrid and each of the other Order 1000

Parties. Such withdrawal shall occur and be effective upon (i) the receipt of such written notice by ColumbiaGrid if the withdrawing Order 1000 Party is within the definition of 16 U.S.C. § 824(f) (and hence is not a “public utility” under Part II of the Federal Power Act) or (ii) the expiration of 90 days following the receipt of such written notice by ColumbiaGrid- if the withdrawing Order 1000 Party is not within the definition of 16 U.S.C. § 824(f).

**13.2** Any Order 1000 Enrolled Party that

- (i) at any time owns or operates existing transmission facilities in the Regional Interconnected Systems that are operating; and
- (ii) after the expiration of 90 days after such time is either not a signatory to the PEFA or is Enrolled in an Order 1000 Planning Region other than ColumbiaGrid

shall be deemed to have withdrawn from this Order 1000 Agreement, which deemed withdrawal shall be effective upon the expiration of such 90-day period.

No Order 1000 Party that has withdrawn or has been deemed to have withdrawn pursuant to this section 13 shall have any obligation to make any payment pursuant to section 3 of this Order 1000 Agreement if such payment was not due on or before the date upon which the withdrawal or deemed withdrawal of such Order 1000 Party is effective. Upon the withdrawal or deemed withdrawal of such Order 1000 Party becoming effective, all rights and obligations under this Order 1000 Agreement of such Order 1000 Party shall terminate; provided that all obligations and liabilities of such Order 1000 Party accrued under this Order 1000 Agreement through the date upon which the withdrawal or deemed withdrawal of such Order 1000 Party is effective are hereby preserved until satisfied.

**14. Miscellaneous**

**14.1 Notices Under This Order 1000 Agreement**

**14.1.1 Permitted Methods of Notice.** Any notice, demand, or request to an Order 1000 Party or ColumbiaGrid in accordance with this Order 1000 Agreement, unless otherwise provided in this Order 1000 Agreement, shall be in writing and shall be deemed properly served, given, or made to the address of the receiving party set forth below (i) upon delivery if delivered in person, (ii) upon execution of the return receipt, if sent by registered United States or Canadian mail, postage prepaid, return receipt requested, or (iii) upon delivery if delivered by prepaid commercial courier service.

The address of ColumbiaGrid shall be:

8338 NE Alderwood Road  
Suite 140  
Portland, OR 97220  
Attn: Chief Executive Officer

The addresses of the initial Order 1000 Parties shall be:

Avista Corporation:

1411 E. Mission Ave.  
Spokane, WA 99202-1902  
Attn: Manager, Transmission Services

MATL LLP:

Fifth Avenue Place  
Suite 3000, 425 - 1st St, SW  
Calgary, AB T2P 3L8  
Attention: Director, Law, Green Power and Transmission

Puget Sound Energy, Inc.:

P.O. Box 97034  
Bellevue, WA 98009  
Attn: George Marshall, Director, Electric Transmission

**14.1.2 Change of Notice Address.** Any Order 1000 Party may at any time, by written notice to ColumbiaGrid, change the designation or address of the person specified to receive notice on its behalf. In such case, ColumbiaGrid shall promptly notify all of the other Order 1000 Parties of such change.

**14.1.3 Routine Notices.** Any notice of a routine character in connection with this Order 1000 Agreement shall be given in such a manner as the Order 1000 Parties may determine from time to time, unless otherwise provided in this Order 1000 Agreement.

**14.1.4 Initial Address of Subsequent Planning Party.** Any Order 1000 Party that enters into this Order 1000 Agreement pursuant to section 12.2 of this Order 1000 Agreement after execution of this Order 1000 Agreement by the initial Order 1000 Parties shall promptly give ColumbiaGrid written notice of the designation and address of the person specified to receive notice on its behalf. In such case, ColumbiaGrid shall promptly notify all of the other Order 1000 Parties of such designation and address.

## **14.2 Amendment or Modification**

This Order 1000 Agreement may not be amended or modified except by any subsequent mutual written agreement, duly executed by all then-current Order 1000 Parties to this Order 1000 Agreement and ColumbiaGrid.

If any provision of this Order 1000 Agreement, or the application thereof to any person, entity, or circumstance, is held by a court or regulatory authority of competent jurisdiction to be invalid, void, or unenforceable, or if a modification or condition to this Order 1000 Agreement is imposed by a regulatory authority exercising jurisdiction over this Order 1000 Agreement, the Order 1000 Parties and ColumbiaGrid shall endeavor in good faith to negotiate such

amendment(s) to this Order 1000 Agreement as will restore the relative benefits and obligations of the signatories under this Order 1000 Agreement immediately prior to such holding, modification, or condition. If an Order 1000 Party finds such holding, modification, or condition unacceptable and the Order 1000 Parties and ColumbiaGrid are unable to renegotiate a mutually acceptable resolution, an Order 1000 Party may by written notice to each other Order 1000 Party and ColumbiaGrid withdraw from this Order 1000 Agreement pursuant to section 13 of this Order 1000 Agreement.

The Order 1000 Parties and ColumbiaGrid agree to use good faith efforts to negotiate amendments to this Order 1000 Agreement to conform with changes to the Attachment K of any Order 1000 Enrolled Party required by the Commission; *provided that* nothing in this section 14.2 shall obligate ColumbiaGrid or any Order 1000 Party to enter into any amendment to this Order 1000 Agreement.

### **14.3 Construction of This Order 1000 Agreement**

Ambiguities or uncertainties in the wording of this Order 1000 Agreement shall not be construed for or against any Order 1000 Party or ColumbiaGrid, but shall be construed in a manner that most accurately reflects the purpose of this Order 1000 Agreement and the nature of the rights and obligations of the parties with respect to the matter being construed.

### **14.4 Integration**

This Order 1000 Agreement constitutes the complete agreement of the Order 1000 Parties and ColumbiaGrid with respect to the subject matter of this Order 1000 Agreement, and supersedes all prior or contemporaneous representations, statements, negotiations, understandings, and inducements with respect to the subject matter of this Order 1000 Agreement.

### **14.5 Existing Agreements Preserved**

Nothing in this Order 1000 Agreement shall be interpreted to supersede the requirements of any existing agreement unless otherwise expressly stated herein.

### **14.6 Governing Law**

This Order 1000 Agreement shall in all respects be interpreted, construed, and enforced in accordance with the laws of the State of Washington, except to the extent that such laws may be preempted by the laws of the United States or of Canada, as applicable; *provided however that* notwithstanding the foregoing, with respect to a dispute involving an Order 1000 Party that is a United States government entity (including, but not limited to, a federal power marketing administration), this Order 1000 Agreement shall in all respects be interpreted, construed, and enforced in accordance with the laws of the United States. The Order 1000 Parties and ColumbiaGrid acknowledge that with respect to an Order 1000 Party that is an agency of the United States federal government under law in effect as of the Effective Date, such agency has not by this Order 1000 Agreement waived its sovereign immunity.

#### **14.7 Equitable Relief**

If an Order 1000 Party seeks injunctive or other equitable judicial relief for the failure of ColumbiaGrid to comply with its obligations to the Order 1000 Party under this Order 1000 Agreement, ColumbiaGrid agrees not to challenge such action on the basis that monetary damages would be a sufficient remedy.

#### **14.8 Singular and Plural; Use of “Or”**

Any use of the singular in this Order 1000 Agreement also includes the plural and any use of the plural also includes the singular. References to “or” shall be deemed to be disjunctive but not necessarily exclusive. References to “including”, “include”, and “includes” shall be deemed to mean “including, but not limited to”, “include, but not limited to”, and “includes, but not limited to”, respectively.

#### **14.9 Headings for Convenience Only**

The section headings in this Order 1000 Agreement are intended for convenience and reference only and are not intended to define, limit, or describe the scope or intent of any provisions of this Order 1000 Agreement.

#### **14.10 Relationship of the Order 1000 Parties and ColumbiaGrid**

**14.10.1 No Partnership, Etc.** Nothing contained in this Order 1000 Agreement shall be construed to create an agency, association, joint venture, trust, or partnership or to impose a trust or partnership covenant, obligation, or liability on or with regard to any of the Order 1000 Parties or ColumbiaGrid. Each Order 1000 Party and ColumbiaGrid shall be individually responsible for its own covenants, obligations, and liabilities under this Order 1000 Agreement.

**14.10.2 Rights Several.** All rights of the Order 1000 Parties and ColumbiaGrid are several, not joint. Except as may be expressly provided in this Order 1000 Agreement, no Order 1000 Party or ColumbiaGrid shall have a right or power to bind any other Order 1000 Party or ColumbiaGrid without such other party’s express written consent.

#### **14.11 No Third Person Beneficiaries**

This Order 1000 Agreement shall not be construed to create rights in, or to grant remedies to, any Third Person as a beneficiary of this Order 1000 Agreement or of any duty, obligation, or undertaking established in this Order 1000 Agreement. Nothing in this Order 1000 Agreement is intended to restrict the right of any Order 1000 Party or Interested Person to seek an order from the Commission under the Federal Power Act.

#### **14.12 No Dedication of Facilities**

No undertaking by any Order 1000 Party under or pursuant to any provision of this Order 1000 Agreement shall constitute or be deemed to constitute a dedication of all or any portion of

such Order 1000 Party's transmission system, to any other Order 1000 Party or ColumbiaGrid or to the public.

#### **14.13 Nonwaiver**

Any waiver at any time by any Order 1000 Party or ColumbiaGrid of its rights with respect to any default under this Order 1000 Agreement, or with respect to any other matter arising in connection with this Order 1000 Agreement, shall not constitute or be deemed a waiver with respect to any other default or other matter arising in connection with this Order 1000 Agreement. Any waiver must be delivered in writing, executed by an authorized representative of the Order 1000 Party or ColumbiaGrid granting such waiver. Any delay short of the statutory period of limitations in asserting or enforcing any right shall not constitute or be deemed a waiver.

#### **14.14 Further Actions and Documents**

Each Order 1000 Party and ColumbiaGrid agree to do all things, including, but not limited to, the preparation, execution, delivery, filing, and recording of any instruments or agreements reasonably requested by any other Order 1000 Party or ColumbiaGrid necessary to carry out the provisions of this Order 1000 Agreement.

#### **14.15 Counterparts**

This Order 1000 Agreement may be executed in counterparts, which may be executed at different times. Each counterpart shall constitute an original, but all counterparts together shall constitute one and the same instrument. ColumbiaGrid shall maintain the original signature pages, and shall prepare and distribute a conformed copy of this Order 1000 Agreement to the Order 1000 Parties.

#### **14.16 No Expansion of Commission Authority**

Nothing in this Order 1000 Agreement, or any undertaking by or with ColumbiaGrid, is intended to (i) create or grant the Commission authority over entities or matters which it would not otherwise have, (ii) imply or establish that any Order 1000 Party or ColumbiaGrid agrees, or is precluded from contesting, as to whether or the extent to which the Commission has jurisdiction over an Order 1000 Party or ColumbiaGrid or matter or has the authority to order particular relief, or (iii) confer upon the Commission any role as arbitrator under this Order 1000 Agreement or any other decision-making role not expressly conferred upon the Commission by the Federal Power Act.

#### **14.17 Status of Order 1000 Parties Under this Order 1000 Agreement**

For the avoidance of doubt, any Order 1000 Party may only be an Order 1000 Enrolled Party, an ITP Proponent, or a Governmental Non-Enrolled Party.

Any Order 1000 Party that is a Planning Party and is within the definition of 16 U.S.C. § 824(f) (and hence is not a "public utility" under Part II of the Federal Power Act) may elect to be a Governmental Non-Enrolled Party under this Order 1000 Agreement by indicating in its

signature block for this Order 1000 Agreement that it is a Governmental Non-Enrolled Party. If an Order 1000 Party indicates in its signature block for this Order 1000 Agreement that it is a Governmental Non-Enrolled Party, such Order 1000 Party, upon its execution and delivery of this Order 1000 Agreement, represents that it meets the definition of Governmental Non-Enrolled Party.

Any Order 1000 Party that is Enrolled in an Order 1000 Planning Region other than the Order 1000 ColumbiaGrid Planning Region may only be an ITP Proponent under this Order 1000 Agreement and must indicate in its signature block for this Order 1000 Agreement (i) that it is an ITP Proponent and (ii) the name of the Order 1000 Planning Region in which it is Enrolled: [; provided that an Order 1000 Non-Incumbent Transmission Developer may be Enrolled in the Order 1000 ColumbiaGrid Planning Region with respect to the proposed transmission facilities of such Non-Incumbent Transmission Developer in the Order 1000 ColumbiaGrid Planning Region identified pursuant to this section 14.17 and also Enrolled in another Order 1000 Planning Region. Any Order 1000 Enrolled Party that is an Order 1000 Non-Incumbent Transmission Developer shall advise ColumbiaGrid in writing of \(i\) any Order 1000 Planning Region other than the Order 1000 ColumbiaGrid Planning Region in which it is Enrolled and \(ii\) any proposed transmission facilities of such Order 1000 Enrolled Party in the Order 1000 ColumbiaGrid Planning Region.](#)

If an Order 1000 Party indicates in its signature block for this Order 1000 Agreement that it is an ITP Proponent, such Order 1000 Party, upon its execution and delivery of this Order 1000 Agreement, represents that it meets the definition of ITP Proponent and that it is Enrolled in an Order 1000 Planning Region other than the Order 1000 ColumbiaGrid Planning Region, as indicated in such Order 1000 Party's signature block.

If an Order 1000 Party does not indicate in its signature block for this Order 1000 Agreement that it is a Governmental Non-Enrolled Party and does not indicate in its signature block for this Order 1000 Agreement that it is an ITP Proponent, such Order 1000 Party, upon its execution and delivery of this Order 1000 Agreement, represents that it meets the definition of Order 1000 Enrolled Party.

If at any time any representation any Order 1000 Party has made pursuant to this section 14.17 is not accurate, such Order 1000 Party shall immediately so notify each of the other Order 1000 Parties and ColumbiaGrid in writing and upon giving such notice shall be deemed to have given notice of withdrawal from this Order 1000 Agreement pursuant to section 13 of this Order 1000 Agreement. Any such notice of withdrawal shall be effective on that date that is 90 days after the date such notice has been given.

~~Any Order 1000 Enrolled Party that is eligible to be a Governmental Non-Enrolled Party may convert from being an Order 1000 Enrolled Party to being a Governmental Non-Enrolled Party effective on the date such Order 1000 Enrolled Party provides written notice of such conversion to ColumbiaGrid. Contemporaneously with providing such notice, the converting Order 1000 Enrolled Party shall (a) provide a written notice of such conversion to each Order 1000 Party and (b) execute and deliver to ColumbiaGrid a substitute signature block for this Order 1000 Agreement indicating the converting Order 1000 Enrolled Party is a Governmental Non-Enrolled Party and reflecting the effective date of such conversion. Upon such conversion~~

~~becoming effective, the converting~~ Upon the withdrawal (or deemed withdrawal) pursuant to section 13 of this Order 1000 Agreement of any Order 1000 Enrolled Party from this Order 1000 Agreement becoming effective, the withdrawing Order 1000 Enrolled Party shall no longer be Enrolled in the Order 1000 ColumbiaGrid Planning Region, shall no longer be an Order 1000 Enrolled Party and shall not be subject to any Order 1000 Cost Allocation approved by the Board pursuant to section 11 of Appendix A after the effective date of such ~~conversion~~ withdrawal. Any Governmental Non-Enrolled Party shall not be allocated, and the Board shall not approve, an Order 1000 Cost Allocation to any Order 1000 Party that is a Governmental Non-Enrolled Party on the date of approval of such Order 1000 Cost Allocation.

#### **14.18 Representation of Authority**

Each Order 1000 Party and ColumbiaGrid, upon its execution and delivery of this Order 1000 Agreement, represents that it has authority to enter into and perform this Order 1000 Agreement. Each Order 1000 Party and ColumbiaGrid represents that the individual signing this Order 1000 Agreement on its behalf is authorized to sign this Order 1000 Agreement on behalf of the party for which such individual signs.

#### **14.19 Order 1000 Parties' Records and Information Sharing**

Each Order 1000 Party shall maintain and make available for ColumbiaGrid's inspection at such Order 1000 Party's facilities, during normal business hours and upon request, data, records, and drawings describing the physical and electrical properties of such Order 1000 Party's Electric System, subject to any applicable provisions for protection of Confidential Information and CEII.

#### **14.20 Other Reports**

ColumbiaGrid may, upon reasonable notice to an Order 1000 Party, request that such Order 1000 Party provide ColumbiaGrid with such other information or reports as ColumbiaGrid may reasonably deem necessary for its performance of this Order 1000 Agreement. The Order 1000 Party shall, except to the extent prohibited by law, make all such information or reports available to ColumbiaGrid within a reasonable period of time and in a form specified by ColumbiaGrid, subject to any applicable provisions for protection of Confidential Information and CEII.

*Signature pages to follow*

IN WITNESS WHEREOF, the Order 1000 Parties and ColumbiaGrid have caused this Order 1000 Agreement to be executed in their respective names.

**ColumbiaGrid**

By: /s/ Patrick J. Damiano

Name: Patrick J. Damiano

Title: CEO/President

Date: June 12, 2015

**Avista Corporation**

By: /s/ Don Kopczynski

Name: Don Kopczynski

Title: Vice President, Energy Delivery

Date: June 12, 2015

**MATL LLP**

By: /s/ Robert Stade

Name: Robert Stade

Title: Director, Operational Support Services

Date: June 11, 2015

**Puget Sound Energy, Inc.**

By: /s/ Josh Jacobs

Name: Josh Jacobs

Title: Director Load Serving Ops

Date: June 11, 2015

## APPENDIX A

### TRANSMISSION PLANNING PROCESS

#### 1. On-Going Planning Activities; Iterative Process; Interim Approval

Although the transmission planning processes identified in this Appendix A are described sequentially, it is anticipated that the planning activities under this Order 1000 Agreement will, except with respect to specific time periods and specific deadlines set forth in this Order 1000 Agreement, be performed on a flexible, iterative, and non-sequential basis. Accordingly, for example, ColumbiaGrid may submit Draft Order 1000 Need Statements to the Board as needed for review and comment without waiting until such time as the Draft System Assessment Report is submitted for review and comment. Planning activities under this Order 1000 Agreement will commence January 2015.

#### 2. Criteria and Factors

##### 2.1 Order 1000 Planning Criteria

With respect to Order 1000 Need(s), ColumbiaGrid shall apply the then-current versions of the following as Order 1000 Planning Criteria for its system assessment, System Assessment Reports, and Order 1000 Need Statements:

- (i) planning standards applicable to Order 1000 Enrolled Parties and ITP Proponents pursuant to law or regulation;
- (ii) NERC reliability standards;
- (iii) recognized regional planning or other reliability or transmission adequacy criteria developed by the consensus of the Order 1000 Enrolled Parties for use on their Order 1000 Transmission Systems (ColumbiaGrid may sponsor a process for development of such criteria); *provided that* an Order 1000 Enrolled Party may have other planning criteria that are more stringent than the ColumbiaGrid standards for use on its own Order 1000 Transmission System; and
- (iv) with respect to planning criteria applicable to any particular Order 1000 Enrolled Party, such additional criteria then accepted by such Order 1000 Enrolled Party and communicated to ColumbiaGrid by written notice; *provided that* any such additional criteria shall apply only to such Order 1000 Enrolled Party.

## **2.2 Order 1000 Needs Factors**

The factors used in selecting Order 1000 Needs from among Order 1000 Potential Needs to be included in the system assessment for possible identification in the System Assessment Report (“Order 1000 Needs Factors”) shall include the following:

- (i) the level and form of support for addressing the Order 1000 Potential Need (such as indications of willingness to purchase capacity and existing transmission service requests that could use capacity consistent with solutions that would address the Order 1000 Potential Need);
- (ii) the feasibility of addressing the Order 1000 Potential Need;
- (iii) the extent, if any, that addressing the Order 1000 Potential Need would also address other Order 1000 Potential Needs; and
- (iv) the factual basis supporting the Order 1000 Potential Need.

No single factor shall necessarily be determinative in selecting any Order 1000 Need from among the Order 1000 Potential Needs for inclusion in the system assessment.

## **2.3 Order 1000 Solution Evaluation Factors**

The factors used in evaluating proposed solutions, including Order 1000 Non-Transmission Alternatives, to address Order 1000 Needs shall include the following:

- (i) sponsorship and degree of development;
- (ii) feasibility;
- (iii) coordination with any affected transmission system and any other Order 1000 Affected Persons;
- (iv) economics;
- (v) effectiveness of performance;
- (vi) satisfaction of Order 1000 Need(s), including the extent to which the proposed solution satisfies multiple Order 1000 Needs;
- (vii) mitigation of any Order 1000 Material Adverse Impacts of such proposed solution on any transmission system; and
- (viii) consistency with applicable state, regional, and federal planning requirements and regulations.

No single factor shall necessarily be determinative in evaluating proposed solutions to address Order 1000 Needs.

## **2.4 Order 1000 Non-Transmission Alternatives**

If any Order 1000 Non-Transmission Alternative is adopted by the Person on whose Electric System it would be located, such Order 1000 Non-Transmission Alternative shall be included in the assumptions used in future system assessments, subject to subsequent updates on the status of such Order 1000 Non-Transmission Alternative.

## **2.5 Developer, Owner, or Operator Information Required to Enable Evaluation of Qualifications**

The following information must be submitted with respect to any proposed developer(s), owner(s), or operator(s) of an Order 1000 Project:

- (i) the identity of any proposed developer(s), owner(s), or operator(s);
- (ii) the current and expected capabilities, as applicable, of any proposed developer(s), owner(s), or operator(s) to finance, plan, design, develop, and construct transmission facilities on a timely basis and to own, reliably operate, and maintain such project for the life of such project;
- (iii) the current and expected capabilities, as applicable, of any proposed developer(s), owner(s), or operator(s) to adhere to construction, maintenance, and operating practices consistent with Good Utility Practices with respect to transmission facilities; and
- (iv) the creditworthiness of any Person proposed as developer(s), owner(s), or operator(s), as demonstrated for example by (a) an investment grade credit rating, (b) having a minimum tangible net worth of \$1 million or total assets of \$10 million, or (c) providing a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to ColumbiaGrid.

No Order 1000 Party shall be designated under this Order 1000 Agreement as the proposed developer, owner, or operator under this section 2.5 without such Order 1000 Party's consent. The requirement for any information listed above may be satisfied by reliance on relevant experience of third-party contractors; *provided however that* any third-party contractors to be relied upon must be specifically identified and ColumbiaGrid must be provided sufficient information regarding such third-party contractors to allow ColumbiaGrid to fully review and evaluate the relevant qualifications of such third-party contractors.

To the extent the information specified by this section 2.5 is submitted in writing to ColumbiaGrid with regard to any proposed developer, owner, or operator, ColumbiaGrid will, within 60 days of its receipt of all information specified by this section 2.5 with regard to such proposed developer, owner, or operator, make a determination whether any such proposed developer, owner, or operator is qualified to be a developer, owner, or operator, as applicable, under this Order 1000 Agreement and shall notify in writing such proposed developer, owner, or operator and each Order 1000 Party of its determination. In the event that ColumbiaGrid

determines that any proposed developer, owner, or operator is not qualified under this section 2.5, ColumbiaGrid shall notify such proposed developer, owner, or operator of such determination and shall list in such notice the deficiencies of any proposed developer, owner, or operator under this section 2.5. Any proposed developer, owner, or operator that ColumbiaGrid determines is not qualified under this section 2.5 may attempt to cure any such deficiencies by providing ColumbiaGrid additional information.

Any proposed developer, owner, or operator that ColumbiaGrid determines is qualified under this section 2.5 may, with such developer's, owner's, or operator's consent, be identified as the developer, owner, or operator, as applicable, of any ITP, Order 1000 Proposed Project, Order 1000 Eligible Project, or Order 1000 Project. ColumbiaGrid may from time to time request additional information regarding any such developer, owner, or operator to verify such developer's, owner's, or operator's qualifications under this section 2.5. Failure to provide such information with respect to any developer, owner, or operator that is reasonably requested by ColumbiaGrid may result in the failure of any developer, owner, or operator to qualify under this section 2.5. ColumbiaGrid may determine that any developer, owner, or operator previously qualified under this section 2.5 no longer qualifies under this section 2.5 for cause by providing such developer, owner, or operator written notice that it does not qualify under this section 2.5 and setting forth the reasons for such determination. Any such disqualified developer, owner, or operator may attempt to cure its deficiencies by providing ColumbiaGrid additional information.

## **2.6 Information Required to Enable a ColumbiaGrid Study Team to Evaluate a Proposed Solution to an Order 1000 Need(s)**

An Order 1000 Enrolled Party or ITP Proponent must submit to ColumbiaGrid the following information with respect to a proposed solution to an Order 1000 Need(s) for which it is a proponent:

- (i) purpose of the proposed solution and the Order 1000 Need(s) that the proposed solution would address;
- (ii) development schedule for such solution, indicating required steps, such as granting of state, federal, and local approvals necessary to develop and construct the proposed solution so as to timely meet the Order 1000 Need(s);
- (iii) new substations and transmission lines that would be created with the proposed solution;
- (iv) the identity of proposed developer(s), owner(s), or operator(s), if any developer(s), owner(s), or operator(s) are proposed;
- (v) for solutions that are anticipated to be ITPs, identification of the Relevant Planning Region(s) where any new facilities are proposed to be interconnected to and identification of the transmission system(s) to which any new facilities would interconnect;
- (vi) voltage level(s) of the proposed facilities;

- (vii) mileages associated with any new or upgraded transmission lines;
- (viii) planned conductor to be used for any proposed new or upgraded transmission lines;
- (ix) proposed increase in transmission system transfer capability associated with the proposed solution;
- (x) ratings of individual transmission facility components (*e.g.*, lines and transformers);
- (xi) electrical parameters of the proposed solution components as necessary to model them accurately in power flow simulations (*e.g.*, resistance, reactance, charging, ratings, *etc.*);
- (xii) the amount of reactive (in MVAR) for any proposed reactive components;
- (xiii) if the proposed solution involves new generation, then the machine parameters necessary to model the new generator(s) accurately in power flow and stability simulations (*e.g.*, machine reactances, time constants, control system parameters, *etc.*);
- (xiv) a list of new contingencies that should be analyzed as a result of the proposed solution;
- (xv) cost estimates in as much detail as is available; and
- (xvi) technical studies and analysis, if performed, to support the proposed solution.

An Order 1000 Merchant Transmission Project that is proposed by an Order 1000 Party must submit comparable information (exclusive of items (i), (ii), and (xv)) to ColumbiaGrid with respect to transmission facilities it proposes to develop.

Staff shall give an Order 1000 Enrolled Party(ies) or ITP Proponent(s) that has submitted information listed above written notice describing any deficiencies in such information, and such Order 1000 Enrolled Party(ies) or ITP Proponent(s) shall have 30 days after receipt of such notice to cure such deficiencies. To ensure that a proposed solution is considered by a Study Team, such information, including any cure of deficiencies, must be submitted not later than 30 days after the issuance of the Final System Assessment Report for the Biennial Plan then being developed. To the extent that any required information regarding a proposed solution is submitted after the time for submitting such information specified in the preceding sentence, such proposed solution will be considered by the Study Team only insofar as, in ColumbiaGrid's sole discretion, such consideration is practicable.

Any Order 1000 Enrolled Party, ITP Proponent, or Person requesting consideration of impacts pursuant to section 2.7 of this Appendix A may submit any other studies and analysis performed to support the proposed transmission facilities.

ColumbiaGrid may from time to time request additional information regarding a proposed solution to an Order 1000 Need(s) from a proponent thereof.

## **2.7 Consideration of Impacts of Order 1000 Merchant Transmission Projects**

If any Person proposes to develop, own, or operate an Order 1000 Merchant Transmission Project, such Person may request in writing that ColumbiaGrid consider the impacts of such proposed Order 1000 Merchant Transmission Project pursuant to this section 2.7. Upon ColumbiaGrid's receipt of such request and the information required in section 2.6 of this Appendix A to be provided (exclusive of items (i), (ii), and (xv)), ColumbiaGrid will to the extent practicable consider the impacts of such Order 1000 Merchant Transmission Project on the facilities in the Order 1000 ColumbiaGrid Planning Region as part of its next system assessment under conditions studied in such system assessment. For purposes of section 4.7 of the body of this Order 1000 Agreement, any Person (other than an Order 1000 Party) requesting consideration of impacts pursuant to section 2.7 of this Appendix A shall be a Third Person.

## **3. System Assessment Report and Order 1000 Need Statements**

Each year, commencing 2015, ColumbiaGrid shall prepare Draft Order 1000 Need Statements and Order 1000 Need Statements and a Draft System Assessment Report and a Final System Assessment Report.

### **3.1 Order 1000 Needs Meeting**

During January of each year, but not later than March 31st of each year, Staff will hold an Order 1000 Needs Meeting, to which Interested Persons will be invited, and notice of such meeting will be posted on the Website. The purpose of such meeting will be to discuss Order 1000 Potential Needs that should be included in the upcoming system assessment.

Prior to such meeting, Interested Persons may submit written suggestions to ColumbiaGrid of items that should be considered for inclusion as Order 1000 Potential Need(s), including suggested Order 1000 Potential Need(s) that are driven by (i) reliability requirements, (ii) economic considerations, or (iii) Public Policy Requirements.

### **3.2 Order 1000 Need(s) for Draft System Assessment Report**

**3.2.1** ColumbiaGrid, in coordination with the Order 1000 Parties and Interested Persons, shall perform a system assessment and prepare a Draft System Assessment Report

- (i) to identify Order 1000 Need(s) by using screening studies of the Order 1000 ColumbiaGrid Planning Region and using the Order 1000 Planning Criteria and Order 1000 Needs Factors to identify, from the Order 1000 Potential Need(s), Order 1000 Need(s), if any, including Order 1000 Needs that are driven by (a) reliability

requirements, (b) economic considerations, or (c) Public Policy Requirements, projected to occur during the Planning Horizon; *provided that* Draft Order 1000 Need Statements need not be prepared for a Draft System Assessment Report for the second year of a Planning Cycle for any Order 1000 Need already identified in the previous System Assessment Report; and

- (ii) to reevaluate Order 1000 Projects included in prior Plans pursuant to section 3.3 of this Appendix A.

**3.2.2** ColumbiaGrid shall perform the system assessment and base such assessment on the then-current and appropriate WECC planning base cases; *provided that* Order 1000 Enrolled Parties shall provide updates to the input previously provided to ColumbiaGrid pursuant to sections 4.1 and 4.6 of the body of this Order 1000 Agreement; *provided further that* ColumbiaGrid shall insofar as practicable consider other information supplied by Order 1000 Enrolled Parties, customers of Order 1000 Enrolled Parties, other Interested Persons, and stakeholders. ColumbiaGrid shall insofar as practicable update the then-current WECC planning base case to reflect such updated information so that the system assessment reflects on-going projects and the likely completion dates of such projects to the extent such projects and completion dates are reasonably forecasted to occur prior to the end of the Planning Horizon.

**3.2.3** ColumbiaGrid shall post drafts of the system assessment results on the Website as they become available during the system assessment process subject to any appropriate conditions to protect Confidential Information and CEII.

**3.2.4** ColumbiaGrid, in coordination with the Order 1000 Parties and Interested Persons, shall apply the Order 1000 Needs Factors set forth in section 2.2 of this Appendix A to select Order 1000 Need(s) projected to occur during the Planning Horizon, shall develop conceptual transmission solutions that address any Order 1000 Need(s), and shall develop a Draft Order 1000 Need Statement for each such Order 1000 Need. Each such Draft Order 1000 Need Statement shall, at a minimum, include the following information:

- (i) a narrative description of the Order 1000 Need and the assumptions, applicable Order 1000 Planning Criteria, and methodology used to determine the Order 1000 Need;
- (ii) one or more conceptual transmission-based solutions to meet the Order 1000 Need with estimated timelines and estimated costs to implement each such solution; and
- (iii) an indication of whether a non-transmission solution might be viable to eliminate or delay the necessity for a transmission-based solution.

In the event that ColumbiaGrid and the Order 1000 Parties and Interested Persons participating in the system assessment do not reach consensus on the content of any Draft Order 1000 Need Statement, Staff shall determine the content of such Draft Order 1000 Need Statement; *provided that* in making its determination, Staff shall consider any comments and possible solutions

suggested by any Order 1000 Party, Interested Person, or stakeholders participating in the system assessment; *provided further that* ColumbiaGrid shall note in the Draft Order 1000 Need Statement that Staff determined the content of such statement and shall report the comments of Order 1000 Parties, Interested Persons, and stakeholders.

**3.2.5** ColumbiaGrid shall post drafts of the Draft Order 1000 Need Statements, as they become available, on the Website subject to any appropriate conditions to protect Confidential Information and CEII. Order 1000 Parties, Interested Persons, and stakeholders may submit written comments to ColumbiaGrid on the Draft Order 1000 Need Statements and ColumbiaGrid will insofar as practicable consider any such comments in preparing the final Order 1000 Need Statements. ColumbiaGrid shall present the Draft Order 1000 Need Statements to the Board for review and comment and shall incorporate any Board comments in the final Order 1000 Need Statements. ColumbiaGrid shall post, subject to any appropriate conditions to protect Confidential Information and CEII, Order 1000 Need Statements and documentation of the basis upon which Order 1000 Potential Need(s), including Order 1000 Potential Need(s) driven by Public Policy Requirements, were or were not selected as Order 1000 Need(s) on the Website.

### **3.3 Reevaluation of Order 1000 Project(s)**

Staff, in consultation with any identified developer, owner, or operator and any Order 1000 Beneficiary and ITP Proponent of an Order 1000 Project, shall in each system assessment reevaluate the most recent prior Plan, taken as a whole, to determine if changes in circumstances, including delays in the development of an Order 1000 Project included in such prior Plan, require evaluation of alternative transmission solutions, including those that the incumbent Order 1000 Enrolled Party proposes, so that the incumbent Order 1000 Enrolled Party as a transmission provider can meet its reliability needs or service obligations. Based on such reevaluation, Staff shall recommend removal of a project as an Order 1000 Project in the Plan if:

- (i) the Order 1000 Project would no longer qualify for selection as an Order 1000 Project;
- (ii) a project development schedule for the Order 1000 Project has not been submitted to ColumbiaGrid as required by item (ii) of section 2.6 of this Appendix A demonstrating that the Order 1000 Project will timely meet Order 1000 Need(s);
- (iii) the development of the Order 1000 Project is not progressing consistent with the project development schedule such that the Order 1000 Project will not timely meet Order 1000 Need(s);
- (iv) if all Order 1000 Parties that requested Order 1000 Cost Allocation for the Order 1000 Project have withdrawn their requests for Order 1000 Cost Allocation in accordance with section 5.2 of this Appendix A; or

- (v) the developer(s), owner(s), or operator(s) of the Order 1000 Project fail to provide information regarding the Order 1000 Project that is needed for the reevaluation pursuant to this section 3.3.

The Board shall make the final determination as to the removal of an Order 1000 Project from a Plan as an Order 1000 Project (and upon such removal any Order 1000 Cost Allocation associated with such Order 1000 Project will be vacated).

In the event that an Order 1000 Project is removed from a Plan, an Order 1000 Enrolled Party may propose solutions that it would implement within its retail distribution service territory or footprint, if any evaluation of alternatives is needed. If an Order 1000 Enrolled Party proposes transmission facilities as a proposed solution to Order 1000 Need(s), such proposed transmission facilities will be evaluated as a proposed solution in accordance with this Order 1000 Agreement.

### **3.4 Draft System Assessment Report**

ColumbiaGrid, in coordination with Order 1000 Parties and Interested Persons, shall prepare a Draft System Assessment Report. Such Draft System Assessment Report shall reflect Order 1000 Needs identified in the Order 1000 Need Statement(s) that are projected to occur during the Planning Horizon.

During the development of the Draft System Assessment Report, each Order 1000 Party shall endeavor to inform Staff of any material change in conditions (anticipated to occur during the Planning Horizon) with respect to such Order 1000 Party of which it is aware affecting any Order 1000 Need(s) under consideration in the Draft System Assessment Report. ColumbiaGrid shall insofar as practicable take into account any such updates in its Draft System Assessment Report.

ColumbiaGrid shall post for comment on the Website, subject to any appropriate conditions to protect Confidential Information and CEII, the Draft System Assessment Report. Staff will consider any comments submitted by stakeholders within 15 days of the posting and prior to the submission to the Board will consider any revisions to the Draft System Assessment Report that should be made as a result of such comments. Staff will present the Draft System Assessment Report, including the Order 1000 Need Statements, to the Board for review and comment.

### **3.5 Final System Assessment Report**

ColumbiaGrid will incorporate in the Final System Assessment Report the comments of the Board on the Draft System Assessment Report. [ColumbiaGrid shall post on the Website, subject to any appropriate conditions to protect Confidential Information and CEII, the Final System Assessment Report.](#)

## **4. Study Teams**

ColumbiaGrid shall endeavor to post on the Website, not later than ten business days prior to any meeting of a Study Team, information regarding any potential solutions to address any Order 1000 Need(s) to be discussed at such meeting.

### **4.1 Formation of Study Teams**

Unless assigned to an existing Study Team, ColumbiaGrid shall form Study Team(s) to develop a plan(s) of service to address Order 1000 Need(s), including plan(s) of service for Order 1000 Proposed Staff Solutions. When such Study Teams have been formed, ColumbiaGrid shall give notice to those Order 1000 Parties and Interested Persons that ColumbiaGrid anticipates will be materially affected.

Staff shall hold a public meeting, with general notice to Order 1000 Parties and Relevant State and Provincial Agencies and other Interested Persons and specific notice to those Order 1000 Parties and Interested Persons that ColumbiaGrid anticipates may be materially affected, for the purpose of reviewing each Order 1000 Need Statement and soliciting participation in a Study Team to address each Order 1000 Need. Staff shall also consider convening Study Teams that address more than one Order 1000 Need. Staff shall monitor the progress of each Study Team and will, as appropriate, bring Study Teams together (including Study Teams formed under the PEFA) in order to resolve differences, gain efficiencies or effectiveness, or develop solutions that meet more than one Order 1000 Need.

### **4.2 Participation in Study Teams**

**4.2.1** ColumbiaGrid shall participate in each Study Team and, as needed, manage and facilitate the Study Team process. ColumbiaGrid shall endeavor to post on the Website, not later than ten business days prior to any meeting of a Study Team, information regarding Order 1000 Need(s) and potential solutions to be discussed at such meeting. ColumbiaGrid shall post on the Website, subject to any appropriate conditions to protect Confidential Information and CEII, drafts of summaries of the progress of the Study Teams, including the development of any proposed solutions to address any Order 1000 Need(s). If the Study Team determines that an Order 1000 Party that is not participating in the Study Team may be materially affected by the proposed solution to an Order 1000 Need(s) being developed by such Study Team, ColumbiaGrid shall so notify such Order 1000 Party, and such Order 1000 Party shall participate in the Study Team.

**4.2.2** Any Order 1000 Party, Order 1000 Affected Person, Relevant State and Provincial Agency, or other Interested Person may participate in a Study Team, except as such participation may be subject to restrictions in tariffs (*see, e.g.*, pro forma open access transmission tariff, sections 17.2 and 18.2) or applicable law. Order 1000 Party(ies) that are potentially materially affected by an Order 1000 Need(s) shall participate in the Study Team relating to such Order 1000 Need(s).

**4.2.3** With respect to the development by the Study Team of a proposed solution to an Order 1000 Need(s),

- (i) Order 1000 Enrolled Party(ies) with an Order 1000 Need(s) that is proposed to be met by an Order 1000 Proposed Staff Solution shall assume primary responsibility for leading and performing necessary analytical work for such solution in the Study Team; and
- (ii) Order 1000 Enrolled Party(ies) (or ITP Proponent(s)) that is a proponent of a proposed solution other than an Order 1000 Proposed Staff Solution shall assume primary responsibility for leading and performing necessary analytical work for such solution in the Study Team; *provided that* each Order 1000 Enrolled Party(ies) with an Order 1000 Need(s) that is proposed to be met by such solution shall assume primary responsibility for assessing whether such solution satisfies its Order 1000 Need(s).

At such time that ColumbiaGrid determines that an Order 1000 Party or other Person that is not involved may be materially affected by the Order 1000 Proposed Project being developed, ColumbiaGrid shall so notify such Order 1000 Party or other Person. Any such Order 1000 Party so notified shall, and any such other Person may, participate in the Study Team.

### **4.3 Scope of Study Team Activities**

This section 4.3 describes the development by the Study Team of a plan(s) of service to address an Order 1000 Need(s). The proposed transmission facilities of an Order 1000 Transmission System(s) included in a plan of service that address an Order 1000 Need(s) are referred to in this Order 1000 Agreement as “Order 1000 Proposed Projects.”

The general objective of a Study Team shall be, with respect to any Order 1000 Need(s), to collaboratively and timely develop all required elements of a plan(s) of service to address Order 1000 Need(s) as provided in this section 4. In developing such plan(s) of service, a Study Team will evaluate any proposed solutions to an Order 1000 Need(s), including Order 1000 Non-Transmission Alternatives and conceptual solutions, that are:

- (i) reflected in the relevant System Assessment Report(s); or
- (ii) proposed by any Study Team participant to address such Order 1000 Need(s); *provided that* the information, including data, needed in order for the Study Team to evaluate such proposed solutions has been provided to ColumbiaGrid.

In performing its evaluation, the Study Team shall assess the ability of any proposed solution to address an Order 1000 Need(s) considering the factors as described in section 2.3 of this Appendix A, including assessment of any Order 1000 Material Adverse Impact of such proposed solution on any transmission system and the mitigation thereof. In addition, the Study Team shall assess whether there is a solution that is a more efficient or cost-effective alternative, applying such factors, to address Order 1000 Need(s). Taking such assessments into account, the Study Team shall attempt to reach agreement on all of the elements of a plan(s) of service to meet the Order 1000 Need(s).

In the event that the Study Team does not reach consensus on all of the elements of a plan(s) of service, Staff shall determine all of the elements, upon which the Study Team did not reach consensus, of a plan(s) of service to meet Order 1000 Need(s); *provided that* in making its determination, Staff shall consider any comments by any Order 1000 Party or Interested Person; *provided further that* ColumbiaGrid shall in the final Study Team Report note which of the elements of the plan(s) of service it determined and shall note the comments of Order 1000 Parties and Interested Persons. In making such determination, Staff shall assess the ability of any proposed solution to address an Order 1000 Need(s) considering the factors as described in section 2.3 of this Appendix A, including assessment of any Order 1000 Material Adverse Impact of such proposed solution on any transmission system and the mitigation thereof.

#### **4.4 Order 1000 Proposed Staff Solutions and Their Development by Study Teams**

Staff, in consultation with the Study Team and Interested Persons, will review each plan of service that is included in a final Study Team report and assess whether Order 1000 Needs, when taken together, can be met by any more efficient or cost-effective transmission solution. If any such transmission solution is identified as a result of such assessment as a more efficient or cost-effective solution to an Order 1000 Need(s) (“Order 1000 Proposed Staff Solution”), Staff will develop information regarding such transmission solution that is comparable to the information that is to be provided pursuant to section 2.6 of this Appendix A. However, such data will not include any assumption regarding the identity of the sponsor, developer, owner, or operator of any facilities of such transmission solution. A plan of service for any Order 1000 Proposed Staff Solution will be developed by a Study Team (or by Staff in the absence of consensus) as described in section 4.3 of Appendix A, and the transmission facilities included in such plan of service may be an Order 1000 Proposed Project.

### **5. Identification of Order 1000 Proposed Projects and Order 1000 Eligible Projects and Selection of Order 1000 Projects**

#### **5.1 Identification of Order 1000 Proposed Projects and Order 1000 Eligible Projects**

Not later than 30 days after the issuance of a final Study Team report (including any final Study Team report with respect to a plan of service for an Order 1000 Proposed Staff Solution), an Order 1000 Enrolled Party or ITP Proponent may request that Staff identify any Order 1000 Eligible Project(s) included therein. Any such request shall be submitted in writing to ColumbiaGrid. Upon receipt of any such request, Staff, in consultation with Interested Persons, will

- (i) review the plan of service that is included in such final Study Team report and identify any Order 1000 Proposed Projects included therein that are either (a) intraregional (*i.e.*, located within the Order 1000 ColumbiaGrid Planning Region), or (b) an ITP; and
- (ii) identify from among the Order 1000 Proposed Project(s) included in such final Study Team report any Order 1000 Proposed

Project(s) that is a more efficient or cost-effective solution to an Order 1000 Need(s).

Any Order 1000 Proposed Project so identified pursuant to item (ii) above is an “Order 1000 Eligible Project.” An Order 1000 Eligible Project is eligible for consideration to be selected as an Order 1000 Project. An Order 1000 Eligible Project may qualify for and receive an Order 1000 Cost Allocation only if (1) such Order 1000 Eligible Project is selected as an Order 1000 Project in accordance with section 5.3 of this Appendix A; and (2) if the Order 1000 Eligible Project is an ITP, the Order 1000 Enrolled Party or ITP Proponent that is the proponent of such ITP also requests Interregional Cost Allocation for such Order 1000 Eligible Project.

For each request, Staff shall prepare and post on the Website, subject to any appropriate conditions to protect Confidential Information and CEII, a description of any Order 1000 Eligible Project(s), and, with respect to any Order 1000 Proposed Project that was not selected as an Order 1000 Eligible Project, an explanation of why such Order 1000 Proposed Project was not selected as an Order 1000 Eligible Project.

## **5.2 Timely Request for Order 1000 Cost Allocation**

Not later than 60 days after ColumbiaGrid has posted a description of any Order 1000 Eligible Project(s) pursuant to section 5.1 of this Appendix A on the Website, an Order 1000 Enrolled Party(ies) or ITP Proponent(s) may request Order 1000 Cost Allocation for any such Order 1000 Eligible Project(s) for which such Order 1000 Enrolled Party(ies) or ITP Proponent(s) is a proponent; *provided that* an ITP Proponent may request an Order 1000 Cost Allocation for an Order 1000 Project only if such project is an ITP and if such ITP Proponent is Enrolled in a Relevant Planning Region for such ITP. Not later than 60 days after ColumbiaGrid has posted a description of any Order 1000 Eligible Project(s) pursuant to section 5.1 of this Appendix A on the Website, an Order 1000 Enrolled Party(ies) or ITP Proponent(s) may request Order 1000 Cost Allocation for any such Order 1000 Eligible Project(s) that is an Order 1000 Proposed Staff Solution; *provided that* an ITP Proponent(s) may request an Order 1000 Cost Allocation for an Order 1000 Project only if such project is an ITP and if such ITP Proponent(s) is Enrolled in a Relevant Planning Region for such ITP. Any request for an Order 1000 Cost Allocation for an Order 1000 Eligible Project shall be submitted in writing to ColumbiaGrid. ColumbiaGrid shall post all such requests on the Website, and distribute copies of such requests to all Order 1000 Parties and participants in the Study Team that developed the Order 1000 Eligible Project. Any request for Order 1000 Cost Allocation for an Order 1000 Eligible Project submitted after the applicable foregoing deadline is not timely and will not be considered. A request for Order 1000 Cost Allocation for an Order 1000 Eligible Project that is an ITP must include a request for Interregional Cost Allocation for such ITP in accordance with sections 7.5.1 and 8.4 of this Appendix A. An Order 1000 Cost Allocation for an Order 1000 Eligible Project may not be requested pursuant to this section 5.2 if an Order 1000 Cost Allocation has been previously requested pursuant to this section 5.2 for such Order 1000 Eligible Project and such request has not been withdrawn.

An Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requests Order 1000 Cost Allocation for an Order 1000 Eligible Project in accordance with this section 5.2 may withdraw its request for such Order 1000 Cost Allocation at any time (including after such Order 1000

Eligible Project has been selected by ColumbiaGrid as an Order 1000 Project). Such request may be withdrawn by submitting notice of withdrawal of such request to ColumbiaGrid in writing. In the event that more than one Order 1000 Enrolled Party or ITP Proponent has requested Order 1000 Cost Allocation for an Order 1000 Eligible Project, and it is an Order 1000 Project, so long as at least one such party's request has not been withdrawn, and if no agreement on implementation has been reached in accordance with section 5.4 of this Appendix A, ColumbiaGrid shall apply the Order 1000 Cost Allocation Methodology to such Order 1000 Project in accordance with section 6 of this Appendix A.

For an Order 1000 Project that receives an Order 1000 Cost Allocation prior to the identification of its owner(s) or operator(s), such Order 1000 Cost Allocation will be reperformed if and at such time as the owner(s) or operator(s) of the transmission facilities comprising such project are identified and any Order 1000 Enrolled Party(ies) or ITP Proponent(s) requests such reperformance. Upon such reperformance, any prior Order 1000 Cost Allocation with respect to such Order 1000 Project shall be vacated.

### **5.3 Selection as Order 1000 Project**

For each Order 1000 Eligible Project for which Order 1000 Cost Allocation has been timely requested pursuant to section 5.2 of this Appendix A, the Board shall, in an open, public process (subject to any appropriate conditions to protect Confidential Information and CEII), review such Order 1000 Eligible Project and either (i) confirm that such Order 1000 Eligible Project is a more efficient or cost-effective solution to meet an Order 1000 Need(s) and post such confirmation on the Website or (ii) document and post on the Website its reasons for not confirming that such Order 1000 Eligible Project is the more efficient or cost-effective solution to meet an Order 1000 Need(s). In determining whether or not to so confirm an Order 1000 Eligible Project, the Board shall consider the factors as described in section 2.3 of this Appendix A, including assessment of any Order 1000 Material Adverse Impact of such proposed solution on any transmission system and the mitigation thereof. An Order 1000 Eligible Project that the Board confirms is a more efficient or cost-effective solution in accordance with this section 5.3 is an Order 1000 Eligible Project that has been selected as an "Order 1000 Project". Each such Order 1000 Eligible Project is an "Order 1000 Project" under this Order 1000 Agreement, unless or until such time as (a) all Order 1000 Parties that timely requested Order 1000 Cost Allocation for such Order 1000 Eligible Project have withdrawn such requests in accordance with section 5.2 of this Appendix A, (b) the Benefit to Cost Ratio for such project is determined pursuant to section 6.3.2 of this Appendix A to be less than 1.25, (c) an agreement on implementation of such project is reached in accordance with section 5.4 of this Appendix A or section 6.4 of this Appendix A, or (d) such project is removed from a Plan as an Order 1000 Project pursuant to sections 3.3 and 11.4.1 of this Appendix A.

All requests for Order 1000 Cost Allocation for an Order 1000 Eligible Project that is not selected by ColumbiaGrid as an Order 1000 Project shall be deemed withdrawn. All requests for Order 1000 Cost Allocation for an Order 1000 Eligible Project that is selected by ColumbiaGrid as an Order 1000 Project but for which the Benefit to Cost Ratio for such Order 1000 Project is determined pursuant to section 6.3.2 of this Appendix A to be less than 1.25 shall be deemed withdrawn. For the avoidance of doubt, in no event shall ColumbiaGrid perform an Order 1000 Cost Allocation for any project, including any Order 1000 Eligible Project, unless and until

ColumbiaGrid selects such project as an Order 1000 Project and, to the extent that an Order 1000 Cost Allocation is performed for an Order 1000 Project and the requests for Order 1000 Cost Allocation for such Order 1000 Project are subsequently withdrawn or are deemed withdrawn, such Order 1000 Cost Allocation will be vacated.

#### **5.4 Negotiation Period for Implementation of an Order 1000 Project**

After ColumbiaGrid has selected an Order 1000 Eligible Project as an Order 1000 Project in accordance with section 5.3 of this Appendix A, ColumbiaGrid shall allow six full calendar months (“Negotiation Period”) for Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requested the Order 1000 Cost Allocation with respect to such Order 1000 Project and all Order 1000 Affected Persons with respect to such Order 1000 Project to reach agreement on implementation of such Order 1000 Project, including responsibility for the funding of such Order 1000 Project. ColumbiaGrid shall allow additional time (“Extended Negotiation Period”) for Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requested such Order 1000 Cost Allocation and all such Order 1000 Affected Persons to reach agreement on implementation of such Order 1000 Project, including responsibility for the funding of such Order 1000 Project, if such Extended Negotiation Period is requested by all such Order 1000 Party(ies) or ITP Proponent(s) and by all such Order 1000 Affected Persons.

#### **6. Application of Order 1000 Cost Allocation Methodology**

ColumbiaGrid shall perform a Preliminary Cost Allocation by applying the Order 1000 Cost Allocation Methodology to an Order 1000 Project in accordance with this section 6, unless (i) the Order 1000 Party(ies) requesting Order 1000 Cost Allocation for an Order 1000 Project has withdrawn its request (or such request is deemed withdrawn) for Order 1000 Cost Allocation, or (ii) agreement has been reached on implementation of such Order 1000 Project pursuant to section 5.4 of this Appendix A. If a Negotiation Period or Extended Negotiation Period is requested for an Order 1000 Project in accordance with section 5.4 of this Appendix A, ColumbiaGrid will not apply the Order 1000 Cost Allocation Methodology to such Order 1000 Project until such time as the requested Negotiation Period and, if applicable, Extended Negotiation Period have expired and no agreement on implementation for the Order 1000 Project has been reached.

For purposes of applying the Order 1000 Cost Allocation Methodology to an Order 1000 Project, ColumbiaGrid shall identify pursuant to section 6.1 of this Appendix A projected costs of such Order 1000 Project and, pursuant to section 6.2 of this Appendix A, identify Order 1000 Benefits and Order 1000 Beneficiaries (and deemed Order 1000 Benefits and Order 1000 Beneficiaries as applicable), and apply the Order 1000 Cost Allocation Methodology to such Order 1000 Project as follows:

- (a) Pursuant to section 6.3 of this Appendix A, Staff shall perform a Preliminary Cost Allocation, under which any Order 1000 Beneficiary(ies) is deemed to include any Governmental Non-Enrolled Party(ies) and Order 1000 Benefits are deemed to include benefits calculated pursuant to section 1.31 of the body of this Order 1000 Agreement and section 6.2.2 of this Appendix A for each Governmental Non-Enrolled Party as if it were an Order 1000 Enrolled Party.

- (b) If written agreement following item (a) above on Order 1000 Project implementation, including responsibilities for funding such project, is not reached in accordance with section 6.4 of this Appendix A, Staff shall reperform, pursuant to section 6.3 of this Appendix A, a Preliminary Cost Allocation, under which Order 1000 Enrolled Party(ies) are the only Order 1000 Beneficiaries. As necessary, the performance of the Preliminary Cost Allocation, pursuant to this item (b), shall be reperformed if an Order 1000 Enrolled Party ~~converts-withdraws (or is deemed to withdraw) from this Order 1000 Agreement~~ pursuant to section ~~14.1713~~ of the body of this Order 1000 Agreement ~~to a Governmental Non-Enrolled Party~~ prior to the approval by the Board, pursuant to section 11 of Appendix A, of the Order 1000 Cost Allocation for such Order 1000 Project.

## **6.1 Order 1000 Project Costs**

ColumbiaGrid shall project the capital costs of each Order 1000 Project (including the capital costs of transmission facilities that are required to mitigate Order 1000 Material Adverse Impacts (if such facilities are within the Order 1000 ColumbiaGrid Planning Region and, subject to the next paragraph, if such facilities are outside the Order 1000 ColumbiaGrid Planning Region) due to such Order 1000 Project) for which it is to apply the Order 1000 Cost Allocation Methodology. Such projection may be based on information provided by the Order 1000 Project developer(s), owner(s), or operator(s); the Study Team; or ColumbiaGrid. In developing such projection, ColumbiaGrid may also seek the input of Third Persons. ColumbiaGrid shall document the basis for its projection and make supporting information available to the extent practicable consistent with any applicable confidentiality and CEII requirements.

For purposes of Order 1000 Cost Allocation, the projected costs of any Order 1000 Project (other than an ITP) will include the projected costs required as a result of such project, if any, (i) that relate to transmission facilities outside the Order 1000 ColumbiaGrid Planning Region and (ii) that all Order 1000 Beneficiaries of such Order 1000 Project agree, in writing, to bear.

For purposes of Interregional Cost Allocation, the projected costs of any ITP for which the Order 1000 ColumbiaGrid Planning Region is a Relevant Planning Region will include the projected costs required as a result of such ITP, if any, (a) that relate to transmission facilities outside any Relevant Planning Region and (b) that all transmission providers in the Relevant Planning Regions that are beneficiaries of such ITP agree, in writing with all other such beneficiaries, to bear.

## **6.2 Order 1000 Benefits and Beneficiaries**

ColumbiaGrid shall identify any Order 1000 Beneficiaries and project the Order 1000 Benefits of each such beneficiary projected as a direct result of each Order 1000 Project for which it is to apply the Order 1000 Cost Allocation Methodology.

**6.2.1 Analytical Tools and Methodologies for Projecting Order 1000 Benefits.** Analysis to project Order 1000 Benefits of an Order 1000 Beneficiary for an Order 1000 Project will include the following:

- (i) Tools for determining Order 1000 Benefits as described in items (i) and (ii)(a) of section 1.31 of the body of this Order 1000 Agreement are as follows: Power flow and stability studies will be used to project the changes in transmission capacity on an Order 1000 Beneficiary's Order 1000 Transmission System due to an Order 1000 Project and the resulting extent, if any, to which any Order 1000 Beneficiary of such project would avoid costs due to elimination or deferral of planned transmission facility additions through changes in facility loading, transient stability, or voltage performance; and
- (ii) Tools and methodologies for determining Order 1000 Benefits as described in item (ii)(b) of section 1.31 of the body of this Order 1000 Agreement are as follows:
  - (a) Power flow and stability studies will be used to project changes, if any, to transfer capability (through changes in facility loading, transient stability, or voltage performance) on transmission paths or flowgates that (1) include facilities of an Order 1000 Beneficiary and (2) have increased transfer capability as a result of the Order 1000 Project;
  - (b) Projected changes, if any, of potential usability of transmission paths or flowgates that (1) include facilities of an Order 1000 Beneficiary and (2) have increased transfer capability as a result of the Order 1000 Project resulting from the changes in transfer capability projected pursuant to item (a) above will be assessed using production cost studies (existing or new);
  - (c) Any transmission queue, precedent transmission service agreements, and other evidence of customers' commitment to take service from such Order 1000 Beneficiary will be reviewed to project any expected subscriptions for increased transfer capability on such Order 1000 Beneficiary's Order 1000 Transmission System projected to result from such Order 1000 Project;
  - (d) Such Order 1000 Beneficiary shall, in consultation with Staff, project its share of increased transfer capability on any transmissions paths or flowgates determined pursuant to item (b) above and calculate such Order 1000 Beneficiary's projected increase in Available Transfer Capability ("ATC") or Available Flowgate Capability ("AFC"), as applicable, projected to result from its share of such increased transfer capability; and

- (e) Taking into account any subscriptions that are projected pursuant to item (c) above and such Order 1000 Beneficiary's projected increase, if any, in ATC or AFC projected pursuant to item (d) above, such Order 1000 Beneficiary shall, in consultation with Staff, project the amount of such projected increase in ATC or AFC that would be sold.

**6.2.2 Calculation of Order 1000 Benefits.** For purposes of calculating Order 1000 Benefits under item (i) of section 1.31 of the body of this Order 1000 Agreement,

- (i) the avoided costs of deferred transmission facilities will be the borrowing costs (*i.e.*, interest costs) projected to be avoided during the Planning Horizon as a result of the deferral of the capital investment of such deferred facilities (rather than the capital costs themselves of such facilities) plus the incremental operations and maintenance costs of such deferred facilities projected to be avoided during the Planning Horizon; and
- (ii) the avoided costs of eliminated transmission facilities during the Planning Horizon will be the portion of the projected avoided depreciation expense of such eliminated facilities that falls within the Planning Horizon plus the projected incremental operation and maintenance costs of such eliminated facilities avoided during the Planning Horizon (such projected avoided depreciation expense shall be determined using straight-line depreciation of the projected capital costs of such eliminated facilities over their depreciable lives).

For purposes of calculating Order 1000 Benefits under item (ii)(a) of section 1.31 of the body of this Order 1000 Agreement, the projected cost that each Order 1000 Beneficiary would, but for the Order 1000 Project, have otherwise incurred shall be:

- (a) the portion, falling within the Planning Horizon, of the projected depreciation expense of the transmission facilities that, in the absence of the Order 1000 Project, would have been incurred by such Order 1000 Beneficiary to achieve an increase in capacity on its Order 1000 Transmission System(s) equivalent to that resulting from such Order 1000 Project (such projected depreciation expense shall be determined using straight-line depreciation of the projected capital costs of such facilities over their depreciable lives); plus
- (b) the projected incremental operation and maintenance costs of such transmission facilities avoided by such Order 1000 Beneficiary during the Planning Horizon as a direct result of the Order 1000 Project.

Any increase in capacity of existing transmission facilities of an Order 1000 Transmission System of an Order 1000 Beneficiary identified in applying the Order 1000 Cost Allocation Methodology and that results from any Order 1000 Project shall be deemed to be owned by such Order 1000 Beneficiary unless otherwise agreed to in writing by such Order 1000 Beneficiary.

### 6.3 Cost Allocation Methodology

#### 6.3.1 Allocation of Projected Costs.

For purposes of application of the Order 1000 Cost Allocation Methodology to an Order 1000 Project, ColumbiaGrid shall allocate to each Order 1000 Beneficiary of such Order 1000 Project the product of the projected costs of such Order 1000 Project if such Order 1000 Project is not an ITP (or, if such Order 1000 Project is an ITP, the Total Regional Costs from Interregional Cost Allocation of such ITP), multiplied by a fraction, the numerator of which is equal to such beneficiary's Order 1000 Benefits and the denominator of which is equal to the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project.

Such allocation to each Order 1000 Beneficiary may be algebraically represented as follows:

Allocation to each Order 1000 Beneficiary for any Order 1000 Project that is not an ITP	=	The product of the projected costs of the Order 1000 Project x (such Order 1000 Beneficiary's Order 1000 Benefits / (the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project))
Allocation to each Order 1000 Beneficiary for any Order 1000 Project that is an ITP	=	(The product of the Total Regional Costs from Interregional Cost Allocation of such ITP) x ((such Order 1000 Beneficiary's Order 1000 Benefits) / (the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project))

#### 6.3.2 Determination and Application of Benefit to Cost Ratio.

For purposes of application of the Order 1000 Cost Allocation Methodology to an Order 1000 Project, ColumbiaGrid shall determine the Benefit to Cost Ratio for such project, which ratio shall be equal to the quotient of the following:

- (i) the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project determined in accordance with section 6.2.2 of this Appendix A, divided by
- (ii) the projected capital costs of such Order 1000 Project if it is not an ITP or the Total Regional Costs from Interregional Cost Allocation from such ITP if such Order 1000 Project is an ITP.

Such Benefit to Cost Ratio for such Order 1000 Project may be algebraically represented as follows:

Benefit to Cost Ratio for such Order 1000 Project	=	(The sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project) / (the projected capital costs of such Order 1000 Project if it is not an ITP or the Total Regional Costs from Interregional Cost Allocation from such ITP if such Order 1000 Project is an ITP)
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If the Benefit to Cost Ratio for an Order 1000 Project determined pursuant to this section 6.3.2 is not equal to or greater than 1.25, such Order 1000 Project shall, upon such determination, no longer be an Order 1000 Project and any Order 1000 Cost Allocation for such project shall be vacated.

#### **6.4 Preliminary Cost Allocation Report and Order 1000 Cost Allocation Report**

In conjunction with Staff’s application of the Order 1000 Cost Allocation Methodology as contemplated in items (a) and (b) of the second paragraph of section 6 of this Appendix A, as applicable, Staff shall document in a draft Preliminary Cost Allocation Report the results of Staff’s determination of the Benefit to Cost Ratio and, if any, the application of the Order 1000 Cost Allocation Methodology to such Order 1000 Project, including (i) the identified Order 1000 Benefits and an explanation of such Order 1000 Benefits with respect to such Order 1000 Project, and (ii) the identified Order 1000 Beneficiaries of such Order 1000 Project.

Subject to any appropriate conditions to protect Confidential Information and CEII, Staff shall provide its draft Preliminary Cost Allocation Report with respect to such Order 1000 Project to the Order 1000 Parties, any Order 1000 Beneficiaries identified in such draft report, the Study Team that developed such Order 1000 Project, and any Interested Person who requests such report, and shall provide an opportunity for written comment for a period of 30 days following the issuance of such draft report. Staff shall evaluate any written comments and reflect them in a Preliminary Cost Allocation Report as follows:

- (a) to the extent Staff agrees with any revisions proposed by any Order 1000 Party, Order 1000 Beneficiary, Study Team participant, or Interested Person, Staff shall reflect such revisions in the Preliminary Cost Allocation Report; and
- (b) to the extent Staff disagrees with any revisions proposed by any Order 1000 Party, Order 1000 Beneficiary, Study Team participant, or Interested Person, Staff shall summarize the proposed revisions and document the reason why Staff did not accept the proposed revisions in the Preliminary Cost Allocation Report.

After Staff has applied the Order 1000 Cost Allocation Methodology pursuant to item (a) of the second paragraph of section 6 of this Appendix A and prepared the associated Preliminary Cost Allocation Report with respect to an Order 1000 Project for which there are one or more Governmental Non-Enrolled Party(ies) included in the Preliminary Cost Allocation, ColumbiaGrid shall allow sixty days (and additional time, not to exceed 180 days, if and to the extent requested by all such Governmental Non-Enrolled Party(ies), all Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requested Order 1000 Cost Allocation for such Order 1000 Project, all Order 1000 Beneficiaries, and all other Order 1000 Affected Persons with respect to such Order 1000 Project) for all such Governmental Non-Enrolled Party(ies), Order 1000 Enrolled Party(ies) or ITP Proponent(s), all Order 1000 Beneficiaries, and all other Order 1000 Affected Persons to reach written agreement on Order 1000 Project implementation, including responsibility for the funding of such Order 1000 Project. If no such written agreement is reached pursuant to this paragraph, Staff shall apply the Order 1000 Cost Allocation Methodology pursuant to item (b) of the second paragraph of section 6 of this Appendix A.

After Staff has, if necessary, applied the Order 1000 Cost Allocation Methodology pursuant to item (b) of the second paragraph of section 6 of this Appendix A and prepared the associated Preliminary Cost Allocation Report with respect to an Order 1000 Project, ColumbiaGrid shall allow time not to exceed 180 days (if and to the extent requested by all Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requested Order 1000 Cost Allocation for such Order 1000 Project, all Order 1000 Beneficiaries, and all other Order 1000 Affected Persons with respect to such Order 1000 Project) for all Order 1000 Enrolled Party(ies) or ITP Proponent(s), all Order 1000 Beneficiaries, and all other Order 1000 Affected Persons to reach written agreement on Order 1000 Project implementation, including responsibility for the funding of such Order 1000 Project.

If a written agreement on implementation of an Order 1000 Project is reached in accordance with this section 6.4, (i) any Order 1000 Enrolled Party(ies) and Governmental Non-Enrolled Party(ies) that entered into such agreement shall promptly provide written notice of such agreement to ColumbiaGrid, (ii) the Preliminary Cost Allocation Report for such Order 1000 Project will not be included in the Draft Plan, and (iii) Staff will indicate in the Draft Plan that an agreement on implementation has been reached for such Order 1000 Project. If such an agreement on implementation of an Order 1000 Project is not reached in accordance with this section 6.4, the Staff shall include the Preliminary Cost Allocation Report (reflecting the Preliminary Cost Allocation pursuant to item (a) of the second paragraph of section 6 of this Appendix A as it may have been revised pursuant to item (b) of the second paragraph of section 6 of this Appendix A) in the Draft Plan.

The final Order 1000 Cost Allocation Report shall be the Preliminary Cost Allocation Report as approved by the Board and included in the Plan in accordance with section 11 of this Appendix A.

## **7. Order 1000 ITPs and Interregional Cost Allocation**

This section 7 sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order 1000 interregional provisions. Nothing in this section 7 will preclude any transmission owner or transmission provider from

taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

Any Interregional Cost Allocation regarding any ITP is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region.

**7.1     *This section left intentionally blank***

**7.2     Annual Interregional Information Exchange**

Annually, prior to the Annual Interregional Coordination Meeting, ColumbiaGrid shall make available by posting on the Website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in ColumbiaGrid's transmission planning region and potential solutions thereto:

- (i) study plan or underlying information that would typically be included in a study plan, such as:
  - (a) identification of base cases;
  - (b) planning study assumptions; and
  - (c) study methodologies;
- (ii) initial study reports (or system assessments); and
- (iii) regional transmission plan

(collectively referred to as "Annual Interregional Information").

ColumbiaGrid shall post its Annual Interregional Information on the Website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process ColumbiaGrid's Annual Interregional Information.

ColumbiaGrid may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

ColumbiaGrid is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by ColumbiaGrid in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if ColumbiaGrid reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by ColumbiaGrid shall be subject to applicable confidentiality

and CEII restrictions and other applicable laws, under ColumbiaGrid’s regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by ColumbiaGrid shall be “AS IS” and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of ColumbiaGrid or any Order 1000 Party, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

### **7.3 Annual Interregional Coordination Meeting**

ColumbiaGrid shall participate in an Annual Interregional Coordination Meeting with the other Planning Regions. ColumbiaGrid shall host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31st. The Annual Interregional Coordination Meeting is to be open to stakeholders. ColumbiaGrid shall provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

- (i) each Planning Region’s most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);
- (ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more efficiently or cost effectively; and
- (iii) updates of the status of ITPs being evaluated or previously included in ColumbiaGrid’s regional transmission plan.

### **7.4 ITP Joint Evaluation Process**

#### **7.4.1 Submission Requirements**

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to section 7.4.2 of this Appendix A by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region’s regional transmission planning process and no later than March 31 of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region’s regional transmission planning process. In addition to satisfying each Relevant Planning Region’s information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

## **7.4.2 Joint Evaluation of an ITP**

For each ITP that meets the requirements of section 7.4.1 of this Appendix A, ColumbiaGrid (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with section 7.4.1 of this Appendix A or the immediately following calendar year. With respect to any such ITP, ColumbiaGrid (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

- (i) ITP data and projected ITP costs; and
- (ii) the study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of section 7.4.1 of this Appendix A, ColumbiaGrid (if it is a Relevant Planning Region):

- (a) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect ColumbiaGrid's evaluation of the ITP;
- (b) is to provide stakeholders an opportunity to participate in ColumbiaGrid's activities under this section 7.4.2 in accordance with its regional transmission planning process;
- (c) is to notify the other Relevant Planning Regions if ColumbiaGrid determines that the ITP will not meet any of its regional transmission needs; thereafter ColumbiaGrid has no obligation under this section 7.4.2 to participate in the joint evaluation of the ITP; and
- (d) is to determine under its regional transmission planning process if such ITP is a more efficient or cost effective solution to one or more of ColumbiaGrid's regional transmission needs.

## **7.5 Interregional Cost Allocation Process**

### **7.5.1 Submission Requirements**

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with section 7.4.1 of this Appendix A, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from ColumbiaGrid and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

### 7.5.2 Interregional Cost Allocation Process

For each ITP that meets the requirements of section 7.5.1 of this Appendix A, ColumbiaGrid (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

- (i) assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;
- (ii) ColumbiaGrid's regional benefits stated in dollars resulting from the ITP, if any; and
- (iii) assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to section 7.6.2 of this Appendix A below) to each Relevant Planning Region using the methodology described in this section 7.5.2.

For each ITP that meets the requirements of section 7.5.1 of this Appendix A, ColumbiaGrid (if it is a Relevant Planning Region):

- (a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect ColumbiaGrid's analysis;
- (b) is to provide stakeholders an opportunity to participate in ColumbiaGrid's activities under this section 7.5.2 in accordance with its regional transmission planning process;
- (c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in ColumbiaGrid, ColumbiaGrid shall use its regional cost allocation methodology, as applied to ITPs;
- (d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;
- (e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; ColumbiaGrid may use such information to identify its total share of the projected costs of the ITP to be assigned to ColumbiaGrid in order to determine whether the ITP is a more efficient or cost effective solution to a transmission need in ColumbiaGrid;

- (f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and
- (g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this section 7.5.2 in the same general time frame as its joint evaluation activities pursuant to section 7.4.2 of this Appendix A.

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

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

If ColumbiaGrid (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, ColumbiaGrid shall apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under section 7.5.2(d) or 7.5.2(e) of this Appendix A above in accordance with its regional cost allocation methodology, as applied to ITPs.

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

If ColumbiaGrid (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, ColumbiaGrid shall evaluate (or reevaluate, as the case may be) pursuant to sections 7.5.2(d), 7.5.2(e), and 7.5.2(f) of this Appendix A above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes of Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of ColumbiaGrid and at least one other Relevant Planning Region, ColumbiaGrid shall apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under section 7.5.2(d) or 7.5.2(e) of this Appendix A above in accordance with its regional cost allocation methodology, as applied to ITPs.

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

This section 8 shall only apply to ITPs for which ColumbiaGrid is a Relevant Planning Region and shall not apply to any ITP for which ColumbiaGrid is not a Relevant Planning Region.

ColumbiaGrid shall provide notice of the Annual Interregional Coordination Meeting to its Interested Persons List and post notice of the Annual Interregional Coordination Meeting on the Website.

## **8.1 Order 1000 Parties That May Submit an ITP for Joint Evaluation**

Any Person that seeks to submit an ITP for joint evaluation pursuant to section 7.4 of this Appendix A or seeks to request Interregional Cost Allocation pursuant to section 7.5 of this Appendix A must either be an ITP Proponent that is a proponent of such ITP and that is Enrolled in a Relevant Planning Region (other than the Order 1000 ColumbiaGrid Planning Region) for such ITP or an Order 1000 Enrolled Party that is a proponent of such ITP.

## **8.2 Submission for Joint Evaluation**

Submission of an ITP into the ColumbiaGrid regional transmission planning process in accordance with section 7.4.1 of this Appendix A is to be accomplished as set forth in this section 8.2.

An ITP Proponent that is a proponent of an ITP and that is Enrolled in a Relevant Planning Region (other than the Order 1000 ColumbiaGrid Planning Region) for such ITP or an Order 1000 Enrolled Party that is a proponent of an ITP may seek to have such ITP evaluated in the Order 1000 ColumbiaGrid Planning Region pursuant to section 7.4.2 of this Appendix A by submitting a written request for such evaluation to ColumbiaGrid; *provided that* ColumbiaGrid shall deem such written request properly submitted to ColumbiaGrid only if, and at such time as, ColumbiaGrid receives the written request: (i) such written request specifically references section 7.4 of this Appendix A, and (ii) such written request includes a list of all other Relevant Planning Regions to which the ITP is being submitted for joint evaluation.

ColumbiaGrid shall seek to confirm with each other Relevant Planning Region that such Order 1000 Enrolled Party or ITP Proponent has submitted such ITP for evaluation into the regional transmission planning process of each other Relevant Planning Region in accordance with the regional transmission planning process of such Relevant Planning Region(s). In the event that ColumbiaGrid is unable to confirm that the Order 1000 Enrolled Party or ITP Proponent has submitted its ITP for evaluation into the regional transmission planning process of each other Relevant Planning Region in accordance with the regional transmission planning process of such Relevant Planning Region(s), ColumbiaGrid shall notify the Order 1000 Enrolled Party or ITP Proponent in writing, and the Order 1000 Enrolled Party or ITP Proponent shall have 30 days from the date of such notice to provide ColumbiaGrid evidence, reasonably acceptable to ColumbiaGrid, that the Order 1000 Enrolled Party or ITP Proponent has timely submitted its ITP for evaluation to each other Relevant Planning Region(s) as required by this section 8.2. If an Order 1000 Enrolled Party or ITP Proponent fails to provide such evidence, the Order 1000 Enrolled Party's or ITP Proponent's ITP shall be deemed withdrawn and shall not be eligible for evaluation pursuant to section 7.4.2 of this Appendix A.

Prior to commencing the joint evaluation of an ITP pursuant to section 7.4.2 of this Appendix A, an Order 1000 Enrolled Party or ITP Proponent that is seeking such evaluation of an ITP shall submit to ColumbiaGrid information in accordance with section 2.6 of this Appendix A, which shall, to the extent permitted by law, include a copy of all ITP data being submitted by the Order 1000 Enrolled Party or ITP Proponent to any of the other Relevant Planning Regions for such ITP.

### **8.3 Joint Evaluation Implementation**

For purposes of ColumbiaGrid's evaluation of an ITP pursuant to section 7.4.2 of this Appendix A,

- (i) development of such ITP shall be through a Study Team in accordance with section 4 of this Appendix A; and
- (ii) evaluation of such ITP in the ColumbiaGrid regional transmission planning process for purposes of section 7.4.2 of this Appendix A shall be through the development and evaluation of such ITP as an Order 1000 Proposed Project through the ColumbiaGrid regional planning process under this Order 1000 Agreement.

Upon receipt of a properly submitted request for such evaluation pursuant to sections 7.4.1 and 8.2 of this Appendix A, ColumbiaGrid will convene a Study Team (or refer such ITP to an existing Study Team) for development of such ITP.

### **8.4 Interregional Cost Allocation Process**

For each ITP that meets the requirements of sections 7.5.1 and 8.2 of this Appendix A and for which Interregional Cost Allocation for such ITP has been timely requested pursuant to section 5.2 of this Appendix A, ColumbiaGrid (if and so long as it is a Relevant Planning Region) shall:

- (i) pursuant to item (c) of section 7.5.2 of this Appendix A, determine the amount, if any, of Regional Benefits for Purposes of Interregional Cost Allocation resulting from such ITP;
- (ii) pursuant to item (ii) of section 7.5.2 of this Appendix A, notify each of the other Relevant Planning Regions with respect to such ITP of the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP so determined;
- (iii) pursuant to item (d) of section 7.5.2 of this Appendix A, calculate ColumbiaGrid's assigned *pro rata* share of the projected costs of such ITP (such share is also referred to as "Assigned Regional Costs from Interregional Cost Allocation"), which share shall be equal to the product of the projected costs of such ITP multiplied by a fraction, the numerator of which shall be the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and the denominator of which shall be the sum of (a) the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and (b) the sum of the regional benefits of each other Relevant Planning Region as calculated with respect to such ITP by such other Relevant Planning Region in accordance with its regional transmission

planning process and provided to ColumbiaGrid by such other Relevant Planning Region;

- (iv) perform a preliminary determination of the Order 1000 Cost Allocation to each Order 1000 Beneficiary should such ITP be selected as an Order 1000 Project, using the methodology with respect to an ITP in section 6.3.1 of this Appendix A (using the Assigned Regional Costs from Interregional Cost Allocation of such ITP as if it were the Total Regional Costs from Interregional Cost Allocation of such ITP) (pursuant to item (e) of section 7.5.2 of this Appendix A, ColumbiaGrid shall share the above determinations with the other Relevant Planning Regions with regard to such ITP); and
- (v) if ColumbiaGrid receives information pursuant to item (e) of section 7.5.2 of this Appendix A from one or more other Relevant Planning Regions regarding what such Relevant Planning Region's regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation and what, if any, additional amount of projected project costs of such ITP its methodology would be attributable to the Order 1000 ColumbiaGrid Planning Region or any Order 1000 Enrolled Party, ColumbiaGrid may use such information to identify an additional amount of projected costs of the ITP to be assigned to ColumbiaGrid if such additional amount is properly allocable to an Order 1000 Beneficiary(ies) as an owner(s) or operator(s) of such ITP (any such additional, properly allocable, amount is also referred to as "Additional Regional Costs from Interregional Cost Allocation") (Total Regional Costs from Interregional Cost Allocation of an ITP (which will include any Additional Regional Costs from Interregional Cost Allocation) will be used in order to determine, pursuant to section 8.5 of this Appendix A, whether to select the ITP as an Order 1000 Project).

Determinations and other activities pursuant to items (iii), (iv), and (v) above may be reperformed as a result of application of section 7.6.2 of this Appendix A.

## **8.5 Determination of Whether to Select the ITP for Purposes of Interregional Cost Allocation**

For each ITP that meets the requirements of sections 7.5.1 and 8.2 of this Appendix A and for which Interregional Cost Allocation for such ITP has been timely requested by an Order 1000 Enrolled Party or ITP Proponent pursuant to sections 5.2 and 7.5.1 of this Appendix A, ColumbiaGrid (if and so long as it is a Relevant Planning Region) shall, as required by section 7.5.2(f) of this Appendix A, determine whether to select the ITP as an Order 1000 Project in accordance with section 5.3 of this Appendix A, based on its regional transmission planning process and taking into account the Total Regional Costs from Interregional Cost Allocation.

Determinations pursuant to this section 8.5 may be reperformed as a result of application of section 7.6.2 of this Appendix A.

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

For any ITP for which ColumbiaGrid is to apply its regional cost allocation methodology pursuant to section 7.6.1 or 7.6.2 of this Appendix A, ColumbiaGrid shall apply its regional cost allocation methodology (Order 1000 Cost Allocation Methodology) by determining the Order 1000 Cost Allocation to each Order 1000 Beneficiary of such ITP, using the methodology with respect to an ITP in section 6.3.1 of this Appendix A.

**9. [reserved]**

**10. [reserved]**

## **11. Process for Adoption of Plans with Respect to Order 1000 Projects and ITPs**

### **11.1 Draft Plan**

**11.1.1 Contents and Development of Draft Plan.** The Staff shall prepare a Draft Plan based upon the ColumbiaGrid transmission planning process that includes the following with respect to this Order 1000 Agreement:

- (i) Order 1000 Need Statement(s) and System Assessment Report(s) submitted by Staff to the Board and the results of any reevaluation of Order 1000 Project(s) pursuant to section 3.3 of this Appendix A;
- (ii) a list of Order 1000 Eligible Projects for which Order 1000 Cost Allocation was requested pursuant to section 5.2 of this Appendix A and, for any such project that was not selected as an Order 1000 Project, an explanation of why such project was not selected as an Order 1000 Project;
- (iii) a list of each Order 1000 Project (and its final Preliminary Cost Allocation Report) that are proposed for Board approval;
- (iv) a review of the current status of all pending Order 1000 Projects that received an Order 1000 Cost Allocation in a prior Plan or Plan Update;
- (v) a list of any ITP(s) for which joint evaluation has been requested pursuant to section 7 of this Appendix A and the status of ColumbiaGrid's performance of its portion of each such evaluation, including a description of ColumbiaGrid's determinations with regard to whether such ITP(s) will meet any Order 1000 Need(s);

- (vi) any transmission solution(s) selected and developed pursuant to section 2.5 of the body of this Order 1000 Agreement and not otherwise included in the Draft Plan; and
- (vii) other information included for informational purposes, for example, (a) any Order 1000 Needs that were included in the System Assessment Report to the extent such Order 1000 Needs are not being met in the Biennial Plan, and (b) any solution to an Order 1000 Need for which planning is still at a conceptual or preliminary stage.

In preparing the Draft Plan, the Staff shall solicit and consider the comments of Interested Persons, Order 1000 Affected Persons, and Order 1000 Parties. The Staff shall post a preliminary Draft Plan on the Website and allow an opportunity for Interested Persons to comment prior to finalizing the Draft Plan; *provided that* the Staff shall redact Confidential Information and CEII from the Draft Plan that is made public. Staff may post the comments or a summary of the comments received on the Website. The Staff shall include any redacted Confidential Information and CEII in the Draft Plan submitted to the Board. The Staff shall include the documentation as the Staff finds appropriate for purposes of Board review and action; *provided that* the documentation should be sufficient for subsequent review in an appropriate forum. The Draft Plan shall clearly identify which Order 1000 Projects (1) are ready for implementation or must be commenced in the upcoming Planning Cycle in order to have sufficient lead time for implementation, (2) have planning underway but do not require commencement in the upcoming Planning Cycle yet are ready for implementation, or (3) have planning at a conceptual or preliminary stage.

**11.1.2 Timing.** The Staff shall submit the Draft Plan for Board adoption at a time interval no greater than every two years.

## **11.2 Review Process**

The Board shall review the Draft Plan in an open, public process. In doing so, the Board shall make available the Draft Plan, study reports, Order 1000 Replication Data, and electronic data files, subject to appropriate protection of Confidential Information and CEII to all Order 1000 Parties and Interested Persons and provide the public an opportunity to supply information and provide written or oral comments to the Board. The Board may adopt additional procedures to carry out its review process.

## **11.3 Basis for Plan Adoption**

The Board shall base its review and adoption of the Plan on the technical merits of the Draft Plan, the consistency of the Order 1000 Projects listed in the Draft Plan with this Order 1000 Agreement, and considering comments and information provided during the review process.

## 11.4 Plan Adoption

With respect to any Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), Order 1000 Project(s), and ITP(s), the Board shall review and take action regarding the Draft Plan as follows:

The Board shall review and may approve the following with respect to each Order 1000 Project: the Staff determination that it meets its underlying Order 1000 Need(s) and is consistent with the applicable solution evaluation factors, the Staff determination that it should be selected as an Order 1000 Project, and a Preliminary Cost Allocation Report. The Board shall review the documentation relating to any other alternative that was considered by the Study Team and the reason why the Staff did not select any such alternative. Those elements that are not approved by the Board shall be remanded to the Staff which may, in cooperation with the Study Team, revise the Staff determination and resubmit it to the Board; *provided that* the Board may modify any Staff determination to the extent such modification is supported by the record.

**11.4.1 Order 1000 Information.** The Board shall include in the Biennial Plan:

- (i) a list of any Order 1000 Project(s);
- (ii) an Order 1000 Cost Allocation Report for each Order 1000 Project for which all request(s) for Order 1000 Cost Allocation have not been withdrawn and for which the Benefit to Cost Ratio has been determined to be 1.25 or greater;
- (iii) a list of any ITP(s) for which joint evaluation has been requested pursuant to sections 7.4 and 8.2 of this Appendix A; and
- (iv) any determination pursuant to section 3.3 of this Appendix A of whether any Order 1000 Project (and any Order 1000 Cost Allocation associated with such Order 1000 Project) included in the then-current Plan is removed from the Plan.

**11.4.2 Other Information Included in the Draft Plan.** The Board shall include in the Biennial Plan for informational purposes all of the other content in the Draft Biennial Plan that was provided for informational purposes unless the Board determines it has good cause not to include such content.

**11.4.3 Remands.** In the event that the Board remands an item to the Staff and a Study Team for further analysis and discussion, the Board shall identify specific questions or concerns to be answered or further researched by the Staff and Order 1000 Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team before the Board approves or confirms the matter that has been remanded.

**11.4.4 Reconsideration Process.** The Board shall develop and make available a reconsideration process that provides Persons who are materially impacted by such decision and did participate in any underlying Study Team to request within ten days that the Board reconsider a specific decision within the Board's approval. If reconsideration of a Board

decision is sought by any such Person, ColumbiaGrid shall promptly convene a meeting, chaired by the ColumbiaGrid President, to which it invites the chief executive officer or equivalent executive of all Order 1000 Affected Persons to determine whether they can reach agreement on the disputed decision. If agreement is not reached, the Board shall pursue the reconsideration process. The reconsideration process will provide for input from all involved Persons (including Order 1000 Parties) and Staff, and the Board will make its reconsidered decision known within 90 days from the date of the request. If, upon reconsideration, the Board modifies its decision, the modification shall also be subject to a petition for reconsideration.

**CERTIFICATE OF SERVICE**

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Bellevue, Washington, this 15th day of June, 2015.

*/s/ Donald G. Kari* \_\_\_\_\_  
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