

# **Southeast Inter-Regional Participation Process**

November 30, 2007

## **Introduction:**

In an effort to more fully address the regional participation principle outlined in the Order 890 Attachment K Tariff requirements and the related guidance contained in the FERC Transmission Planning Process Staff White Paper (dated August 2, 2007), this Southeast Inter-Regional Participation Process expands upon the existing processes for regional planning in the Southeast. This document outlines an inter-regional process among various Southeastern interconnected transmission owners. The inter-regional process described herein is incorporated into each Participating Transmission Owner's<sup>1</sup> planning process and OATT Attachment K (for those transmission owners that have a regulatory requirement to file an Attachment K).

## **Purpose:**

This inter-regional process complements the regional planning processes developed by the Participating Transmission Owners in the Southeast. For the purpose of this document, the term "Southeast Inter-Regional Participation Process" ("SIRPP") is defined as a new process to more fully address the regional participation principle of Order 890 for multiple transmission systems in the Southeast. The term "Regional Planning Processes" refers to the regional transmission planning processes a Transmission Owner has established within its particular region for Attachment K purposes. Importantly, the Economic Planning Studies discussed herein are hypothetical studies that do not affect the transmission queue for purposes of System Impact Studies, Facilities Studies, or interconnection studies performed under other portions of the OATT.

## **Current Inter-Regional Planning Process:**

Each Southeastern transmission owner currently develops a transmission plan to account for service to its native load and other firm transmission service commitments on its transmission system. This plan development is the responsibility of each transmission planner individually and does not directly involve the Regional Reliability Organization (e.g. SERC). Once developed, the Participating Transmission Owners collectively conduct inter-regional reliability transmission assessments, which include the sharing of the individual transmission system plans, providing information on the assumptions and

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<sup>1</sup> The sponsors of the Southeast Inter-Regional Participation Process are referred to as transmission owners, rather than transmission providers, because not all of the sponsors are "Transmission Providers" for purposes of the *pro forma* OATT.

data inputs used in the development of those plans and assessing whether the plans are simultaneously feasible.

### **Participating Transmission Owners:**

Due to the additional regional planning coordination principals that have been announced in Order 890 and the associated Transmission Planning White Paper, several transmission owners have agreed to provide additional transmission planning coordination, as further described in this document. The “Participating Transmission Owners” are listed on the SIRPP website (<http://www.southeastirpp.com>):

### **Southeast Inter-Regional Participation Process:**

The Southeast Inter-Regional Participation Process is outlined in the attached diagram. As shown in that diagram, this process will provide a means for conducting stakeholder requested Economic Planning Studies across multiple interconnected systems. In addition, this process will build on the current inter-regional, reliability planning processes required by existing multi-party reliability agreements to allow for additional participation by stakeholders.

The established Regional Planning Processes outlined in the Participating Transmission Owners’ Attachment Ks will be utilized for collecting data, coordinating planning assumptions, and addressing stakeholder requested Economic Planning Studies internal to their respective regions. The data and assumptions developed at the regional level will then be consolidated and used in the development of models for use in the Inter-Regional Participation Process. This will ensure consistency in the planning data and assumptions used in local, regional, and inter-regional planning processes.

These established Attachment K processes may also serve as a mechanism to collect requests for inter-regional Economic Planning Studies by a participant’s stakeholders group. The Economic Planning Studies requested through each participant’s Attachment K process that involve impacts on multiple systems between Regional Planning Processes will be consolidated and evaluated as part of the Southeast Inter-Regional Participation Process. Stakeholders will also be provided the opportunity to submit their requests for inter-regional Economic Planning Studies directly to the Inter-Regional process.

The Participating Transmission Owners recognize the importance of coordination with neighboring (external) planning processes. Therefore, seams coordination will take place at the regional level where external regional planning processes adjoin the Southeast Inter-Regional Participation Process (e.g. Southeastern Regional Planning Process coordinating with FRCC Regional Planning Process, Entergy coordinating with SPP, TVA coordinating with MISO and PJM, and the North Carolina Transmission Planning Collaborative coordinating with PJM). External coordination is intended to include planning assumptions from neighboring processes and the coordination of transmission enhancements and stakeholder requested Economic Planning Studies to support the

development of simultaneously feasible transmission plans both internal and external to the Southeast Inter-Regional Participation Process.

With regard to the development of the stakeholder requested inter-regional Economic Planning Studies, the Participating Transmission Owners will each provide staff (transmission planners) to serve on the study coordination team. The study coordination team will lead the development of study assumptions (and coordinate with stakeholders, as discussed further below), perform model development, and perform any other coordination efforts with stakeholders and impacted external planning processes. During the study process, the study coordination team will also be responsible for performing analysis, developing solution options, evaluating stakeholder suggested solution options, and developing a report(s) once the study(ies) is completed. Once the study(ies) is completed, the study coordination team will distribute the report(s) to all Participating Transmission Owners and the stakeholders.

With regard to coordinating with stakeholders in the development of the inter-regional Economic Planning Study(ies), in each cycle of the Southeast Inter-Regional Participation Process, the Participating Transmission Owners will conduct the “1<sup>st</sup> Inter-Regional Stakeholder Meeting”, as shown in the attached diagram. At this meeting, a review of all of the Economic Planning Study(ies) submitted through the participants’ Regional Planning Processes or directly to the Inter-Regional process, along with any additional Economic Planning Study requests that are submitted at this 1<sup>st</sup> meeting, will be conducted. During this meeting, the stakeholders will select up to five studies that will be evaluated within the planning cycle. The study coordination team will coordinate with the stakeholders regarding the study assumptions underlying the identified stakeholder requested inter-regional Economic Planning Study(ies). Through this process, stakeholders will be provided an opportunity to comment and provide input regarding those assumptions. Following that meeting, and once the study coordination team has an opportunity to perform its initial analyses of the inter-regional Economic Planning Study(ies), the Participating Transmission Owners will then conduct the “2<sup>nd</sup> Inter-Regional Stakeholder Meeting.” At this meeting, the study coordination team will review the results of such initial analysis, and stakeholders will be provided an opportunity to comment and provide input regarding that initial analysis. The study coordination team will then finalize its analysis of the inter-regional study(ies) and draft the Economic Planning Study(ies) report(s), which will be presented to the stakeholders at the “3<sup>rd</sup> Inter-Regional Stakeholder Meeting.” Stakeholders will be provided an opportunity to comment and provide input regarding the draft report(s). Subsequent to that meeting, the study coordination team will then finalize the report(s), which will be issued to the Participating Transmission Owners and stakeholders.

In addition to performing inter-regional Economic Planning Studies, the Southeast Inter-Regional Participation Process will also provide a means for the Participating Transmission Owners to review, at the Southeast Inter-Regional Participation Process stakeholder meetings, the regional data, assumptions, and assessments that are then being performed on an inter-regional basis.

### **Southeast Inter-Regional Participation Process Cycle:**

The Southeast Inter-Regional Participation Process will be performed annually. Due to the expected scope of the requested studies and size of the geographical region encompassed, the Participating Transmission Owners will perform up to five (5) inter-regional Economic Planning Studies annually, which could encompass both Step 1 and Step 2 evaluations. A Step 1 evaluation will consist of a high level screen of the requested transfer and will be performed during a single year's planning cycle. The high level screen will identify transfer constraints and likely transmission enhancements to resolve the identified constraints. The Participating Transmission Owners will also provide approximate costs and timelines associated with the identified transmission enhancements to facilitate the stakeholders' determination of whether they have sufficient interest to pursue a Step 2 evaluation. Once a Step 1 evaluation has been completed for a particular transfer, the stakeholders have the option to request a Step 2 evaluation for that transfer to be performed during the subsequent year's Inter-Regional Participation Process Cycle. If the stakeholders opt to not pursue Step 2 evaluation for the requested transfer during the subsequent year's Inter-Regional Participation Process Cycle, an Economic Planning Study of that request may be re-evaluated in the future by being submitted for a new Step 1 evaluation. In the event that the stakeholders request a Step 2 evaluation, the Participating Transmission Owners will then perform additional analysis, which may include additional coordination with external processes. The Participating Transmission Owners will then develop detailed cost estimates and timelines associated with the final transmission enhancements. The Step 2 evaluation will ensure that sufficient coordination can occur with stakeholders and among the impacted Participating Transmission Owners. In addition, the Step 2 evaluation will provide sufficient time to ensure that the inter-regional study results are meaningful and meet the needs of the stakeholders.

It is important to note that the Participating Transmission Owners expect that a Step 2 evaluation will be completed prior to interested parties requesting to sponsor transmission enhancements identified in an Economic Planning Study. However, the Participating Transmission Owners will work with stakeholders if a situation develops where interested parties attempt to sponsor projects identified in a Step 1 evaluation and there is a compelling reason (*e.g.* where time is of the essence).

### **Inter-Regional Cost Allocation:**

The cost allocation for Inter-Regional Economic Upgrade projects will be determined by each region in which the construction of such upgrades (in whole or in part) would occur.

### **Inter-Regional Coordination of Economic Transmission Project Development:**

Once an Economic Planning Study report has been finalized, multiple stakeholders may be interested in jointly participating in the project development. An Inter-Regional process addressing each such economic upgrade request will be developed that will formalize the process of determining if there is sufficient stakeholder interest to pursue

economic project development and the coordination that will be required of the impacted Transmission Owners to support this process. The Participating Transmission Owners and the stakeholders will support this process development activity beginning in 2008.

### **Stakeholder Participation in the Southeast Inter-Regional Participation Process:**

#### ***Purpose***

The purpose of the Southeast Inter-Regional Participation Process Stakeholder Group (SIRPPSG) is to provide a structure to facilitate the stakeholders' participation in the Southeast Inter-Regional Participation Process. Importantly, the SIRPPSG shall have the flexibility to change the "Meeting Procedures" section discussed below but cannot change the Purpose, Responsibilities, Membership, or Data and Information Release Protocol sections absent an appropriate filing with (and order by) FERC to amend the OATT.

#### ***Responsibilities***

In general, the SIRPPSG is responsible for working with the Participating Transmission Owners on Inter-Regional Economic Planning Study requests so as to facilitate the development of such studies that meet the goals of the stakeholders. The specific responsibilities of this group include:

1. Adherence to the intent of the FERC Standards of Conduct requirements in all discussions.
2. Develop the SIRPPSG annual work plan and activity schedule.
3. Propose and select the Economic Planning Study(ies) to be evaluated (five annually).
  - a. Step 1 evaluations
  - b. Step 2 evaluations
4. Provide timely input on the annual Economic Planning Study(ies) scope elements, including the following:
  - a. Study Assumptions, Criteria and Methodology
  - b. Case Development and Technical Analysis
  - c. Problem Identification, Assessment and Development of Solutions (including proposing alternative solutions for evaluation)
  - d. Comparison and Selection of the Preferred Solution Options
  - e. Economic Planning Study Results Report.
5. Providing advice and recommendations to the Participating Transmission Owners on the Southeast Inter-Regional Participation Process.

#### ***Membership***

The SIRPPSG membership is open to any valid stakeholder in the SIRPP. For the SIRPP a valid stakeholder is defined as any Eligible Customer, generation owner/development company, state or federal agency, and any organization capable of providing Ancillary Services under one of the Participating Transmission Owners' OATTs. In addition, any Transmission Owner, Transmission Operator, or Transmission Planner as those terms or their successors are used under the NERC Functional Model, as may be amended from time to time, are eligible to be stakeholders under this SIRPP. Authorized agents of the

above identified stakeholder organizations will also be permitted to represent those organizations in the SIRPP. Any individual wishing to become an SIRPPSG member can make an application for membership on the SIRPP website (<http://www.southeastirpp.com>). On the application for SIRPPSG membership, the applicant must provide their name, their organization affiliation, and an explanation of how they meet at least one of the categories listed in the above valid stakeholder definition.

### ***Meeting Procedures***

The SIRPPSG may change the Meeting Procedures criteria provided below pursuant to the voting structure in place for the SIRPPSG at that time. The currently effective Meeting Procedures for the SIRPPSG shall be provided to the Participating Transmission Owners to be posted on the SIRPP website and shall become effective once posted on that website (<http://www.southeastirpp.com>), which postings shall be made within a reasonable amount of time upon receipt by the Transmission Owners. Accordingly, the following provisions contained under this Meeting Procedures heading provide a starting-point structure for the SIRPPSG, which the SIRPPSG shall be allowed to change.

### **Meeting Chair**

A stakeholder elected member of the SIRPPSG will chair the SIRPPSG meetings and serve as a facilitator for the group by working to bring consensus within the group. In addition, the duties of the SIRPPSG chair will include:

1. Developing mechanisms to solicit and obtain the input of all interested stakeholders related to inter-regional Economic Planning Studies.
2. Ensuring that SIRPPSG meeting notes are taken and meeting highlights are posted on the SIRPP website (<http://www.southeastirpp.com>) for the information of the participants after all SIRPPSG meetings.

### **Meetings**

Meetings of the SIRPPSG shall be open to all SIRPPSG members interested in inter-regional Economic Planning Studies across the respective service territories of the Participating Transmission Owners. There are no restrictions on the number of people attending SIRPPSG meetings from any organization.

### **Quorum**

Since SIRPPSG membership is open to all valid stakeholders, there are no quorum requirements for SIRPPSG meetings.

### **Voting**

In attempting to resolve any issue, the goal is for the SIRPPSG to develop consensus solutions. However, in the event consensus cannot be reached, voting will be conducted with each SIRPPSG member's organization represented at the meeting (either physically present or participating via phone) receiving one vote. The SIRPPSG chair will provide notices to the SIRPPSG members in advance of the SIRPPSG meeting that specific votes will be taken during the SIRPPSG meeting. Only SIRPPSG members participating in the meeting will be allowed to participate in the voting. No proxy votes will be allowed.

During each SIRPP cycle, the SIRPPSG members will propose and select the inter-regional Economic Planning Studies that will be performed during that particular SIRPP cycle. The SIRPPSG will annually select up to five (5) inter-regional Economic Planning Studies, including both Step 1 evaluation(s) and any Step 2 evaluations, with any such Step 2 evaluations being performed for the previous years Step 1 studies for the pertinent transfers. Each organization represented by their SIRPPSG members will be able to cast a single vote for up to five Economic Planning Studies that their organization would like to be studied within the SIRPP cycle. If needed, repeat voting will be conducted until there are clear selections for the five Economic Planning Studies to be conducted.

### **Meeting Protocol**

In the absence of specific provisions in this document, the SIRPPSG shall conduct its meetings guided by the most recent edition of *Robert's Rules of Order, Newly Revised*.

### ***Data and Information Release Protocol***

SIRPPSG members can request data and information that would facilitate their ability to replicate the SIRPP inter-regional Economic Planning studies while ensuring that CEII and other confidential data is protected. The following outlines the process the SIRPPSG members would use to obtain the data and information.

1. Request and obtain from FERC the FERC Form No. 715 data (that includes CEII data) for the Participating Transmission Owners, where applicable.
2. Have a current SERC Confidentiality Agreement in place.
3. Have a current SIRPP Confidentiality Agreement in place.
4. Formally request the data on the SIRPP website (<http://www.southeastirpp.com>) with attestations that they have fulfilled the above 3 steps.

The SIRPP Participating Transmission Owners will process the above requests, approve/deny the request, and if approved, provide the data to the SIRPPSG member.

## Southeast Inter-Regional Participation Process Diagram:

