

**ATTACHMENT K  
TRANSMISSION PLANNING PROCESS**

The following procedures establish the process for transmission system planning on the LG&E/KU Transmission System, in accordance with the requirements of FERC Order No. 890, *Preventing Undue Discrimination and Preference in Transmission Service*, as revised by FERC Order No. 1000, *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*.

Local transmission system planning for the LG&E/KU transmission system is conducted in accordance with the following Sections of this Attachment K:

Section 1 – Coordination

Section 2 – Openness

Section 3 – Transparency

Section 4 – Information Exchange

Section 5 – Comparability

Section 6 – Dispute Resolution

Section 7 – Regional Coordination

Section 8 – Local Economic Planning and Local Consideration of Public Policy Requirements

Section 9 – Cost Allocation

Section 10 – Recovery of Planning Costs

Regional transmission system planning is conducted in accordance with Southeastern Regional Transmission Planning Process (“SERTP Process”), as embodied in the following Sections of this Attachment K:

Section 11 – Coordination

Section 12 – Openness

Section 13 – Transparency

Section 14 – Information Exchange

Section 15 – Dispute Resolution

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Section 16 – [Reserved]

Section 17 – Economic Planning Studies

Section 18 – [Reserved]

Section 19 – Recovery of Planning Costs

Section 20 – Consideration of Transmission Needs Driven by Public Policy Requirements

Section 21 – Merchant Transmission Developers Proposing Transmission Facilities Impacting the SERTP

Section 22 – Enrollment

Section 23 – Qualification Criteria to Submit a Regional Transmission Project Proposal for Potential Selection in a Regional Transmission Plan for Purposes of Cost Allocation

Section 24 – Transmission Facilities Potentially Eligible for RCAP

Section 25 – Submission and Evaluation of Proposals for Potential Selection in a Regional Transmission Plan for RCAP

Section 26 – Evaluation of Proposals for Selection in a Regional Transmission Plan for RCAP

Section 27 – Cost Allocation Methodology Based Upon Avoided Transmission Costs

Section 28 – On-Going Evaluation of Proposed Projects

Section 29 – Delay or Abandonment

Section 30 – Milestones of Required Steps Necessary to Maintain Status as Being Selected for RCAP

Section 31 – Mutually Agreed Upon Contract(s) Between the Transmission Developer and Beneficiaries

## **Local Transmission Planning Process**

### **1. Coordination**

FERC requires that transmission providers meet with and allow stakeholders to have input into the transmission planning process. FERC does not mandate the number of, or scope of, meetings with stakeholders, so long as the coordination process allows stakeholders an opportunity to comment meaningfully at the early stages of the transmission plan's development. LG&E/KU has developed the plan so that stakeholders will be able to provide input into the next years' plan as that plan is developed from the initial stages of development, and encourages stakeholders to be involved early in the process, as opposed to commenting only on the final plan.

#### Stakeholder Planning Committee

The LG&E/KU coordination plan will include the formation of a Stakeholder Planning Committee ("SPC"), which will act as a standing committee. The SPC will provide a forum for stakeholders to provide input to the Transmission Owner regarding the transmission planning process.

Membership on the SPC will be open to all interested parties. Any interested party that wants to participate in the SPC must designate a representative by sending such information to the Transmission Owner (and providing contact information for the representative) within 30 days of Commission approval of the Transmission Owner's coordination plan. After this 30 day start-up period, an interested party may join the SPC by designating a representative (and providing contact information for the representative) and sending a notice to the Transmission Owner and the Chair of the SPC.

The Transmission Owner shall be responsible for coordinating the first meeting of the SPC within 120 days of approval of the Transmission Owner's coordination plan. Afterwards, the SPC shall appoint a Chair to lead the SPC calls and coordinate any teleconferences or meetings. The Chair shall rotate annually among the members of the SPC. The SPC shall hold conference calls monthly, or quarterly, depending upon the workload at the time, to provide input to the Transmission Owner regarding planning issues. If required, the Chair may call meetings on a more frequent basis.

Upon formation, the SPC will provide a forum to allow members the opportunity to comment on the development of accurate data inputs for study simulations, the appropriateness of study simulations being performed, and the correctness of the execution of study simulations. The SPC will also enable members to review study results as they are performed over the study development cycle. The SPC will also provide an opportunity to produce comments and reports. Further, the SPC will be responsible for forming an Economic Expansion Subcommittee.

The SPC will decide its own processes and procedures, including frequency, location and format of meetings; membership criteria (e.g., number of representatives per Eligible Customer, provisions for alternates). The SPC will also determine the responsibilities of the SPC Chair,

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such as: supervision of SPC activities, scheduling and posting notice of meetings, developing agendas, and presiding at meetings. Although the Transmission Owner and the ITO are not formal members of the SPC, the Transmission Owner and the ITO will be invited to participate in all SPC activities.

It is the Transmission Owner's intent that issues before the SPC be resolved on a consensus basis; nevertheless, there may be circumstances where sending an issue to a vote would be appropriate. Because of the SPC's potential breadth, if and when the SPC needs to vote on certain issues, each SPC member's vote will be weighted based on whether the member represents a current Transmission or NITS Customer, an Eligible Customer, a regulatory body, a developer of transmission, generation or demand resources, or the general public (i.e., an unaffiliated individual).

<b>SPC Member</b>	<b>Weighted Vote</b>
Current Transmission Customer	1.00
Current NITS Customer	1.00
Eligible Customer	1.00
Regulatory Body (KPSC, FERC, or similar)	1.00
Developers of Transmission	1.00
Developers of Generation	1.00
Developers of Demand Resources	1.00
General Public	1.00

### Transmission Planning Cycle

The Transmission Owner's coordination plan involves a combination of SPC meetings and semi-annual stakeholder meetings to discuss draft annual transmission expansion plans, as well as opportunities for stakeholders to provide written comments early in the process. The transmission planning process is an approximately 14 month cycle. The transmission planning process will begin in November with the Transmission Owner starting the process of running the required planning models for the next planning year (e.g., in November 2015 for the 2016 planning year). During the transmission planning cycle, the SPC will hold either quarterly or monthly meetings to update stakeholders on the status of the next year's transmission plan and provide an opportunity for stakeholders to comment, both on the development of the transmission plan and on the criteria, data, and assumptions used by the Transmission Owner in developing the annual transmission plan.

In November, the ITO will convene a stakeholder meeting. The November stakeholder meeting serves two functions in the transmission planning cycle.

- **Review ongoing development of Next Year's plan** - First, the ITO will issue a request for stakeholder input on development of the next year's transmission plan (e.g., during the November of 2015 for 2016 planning year). Stakeholders will have thirty days from the November meeting in which to transmit their additional suggestions for the next year's transmission plan.

- **Finalize Current Year’s Transmission plan** - Second, the November stakeholder meeting also involves the presentation of the final draft transmission plan and the ITO’s response to the draft plan for the current calendar year (e.g., during November of 2015 for the 2015 planning year). The ITO will present its comments on the final version of the annual transmission expansion plan for the current year, and will receive comments. Stakeholders may submit written comments for up to 30 days after the November meeting on the current year’s plan.

The ITO will convene another stakeholder meeting in July of each year. Fifteen days prior to the July stakeholder meeting, the ITO will distribute the draft transmission plan for the current year (e.g., in July of 2016, the Transmission Owner will distribute its draft for the 2016 planning year, which incorporates all comments received from stakeholders to date on the 2016 plan). Stakeholders will have an opportunity to discuss the draft transmission plan at the July stakeholder meeting, and may submit written comments regarding the draft transmission plan for up to 30 days following the July stakeholder meeting.

Following the completion of the comment period, the Transmission Owner will incorporate the comments to the extent possible in the draft plan to be submitted to the ITO. The Transmission Owner’s final draft of the transmission expansion plan is presented to the ITO by October 31, for final review and approval.

Between the July and November stakeholder meetings, the SPC will continue to hold quarterly or monthly meetings on the state of the next year’s transmission plan and will have opportunities to comment on plan development.

Additionally, stakeholder input is not restricted to the SPC and semi-annual stakeholder meetings but can be sent to the Manager of Transmission or the SPC at any time. Written comments are preferred and may be sent via e-mail. Comments received outside the semi-annual meetings and SPC meetings will be made available to other stakeholders via OASIS.

The Transmission Owner is the entity responsible for drafting the annual transmission plan, with input from the SPC and stakeholders, which is then reviewed and revised or approved by the ITO. The SPC will be responsible for coordinating the monthly and quarterly conference calls and will provide input to the TO on planning issues at that time. The ITO will be responsible for coordinating the semi-annual stakeholder meetings, and the Transmission Owner will attend to present the annual transmission plan, or draft of the annual transmission plan as appropriate, and will take stakeholder comments at that time. Stakeholders also may address their written comments to the Transmission Owner or the SPC, which the Transmission Owner will take into account when drafting or revising the annual transmission expansion plan.

The ITO already holds an annual stakeholder meeting to address customer and other stakeholder issues. Transmission expansion planning has been added to this process, and an additional meeting added to the yearly calendar. Additionally, the scope of stakeholders invited to participate in the meetings will be expanded for transmission planning meetings to include interested parties, neighboring transmission systems, and state commission representatives, as well as customers.

SPC meetings will occur quarterly, monthly, or more often, as determined by the SPC or its Chair.

Notice of the monthly or quarterly teleconference meetings of the SPC will be sent out by the Transmission Owner for the first meeting to a list of Eligible Customers based on those that inform the Transmission Owner of their interest in participating in the SPC. Afterward, the Chair of the SPC will be in charge of coordinating and notifying the SPC members of the conference calls. A notice of the semi-annual meetings will be placed on OASIS, as well as the ITO's website. Customers will receive an e-mail notifying them of the meeting, and other stakeholders (neighboring transmission systems, state commission representatives) will be invited by the Transmission Owner. Meetings will take place in person in Louisville, Kentucky. If participants are unable to attend in person, a teleconference line will be made available.

Any significant planning developments or events will trigger a notice by the Transmission Owner to the ITO and a posting on OASIS to notify the SPC and any other Eligible customer under the OATT of the opportunity to provide input during the planning process with regard to the significant development or event.

## **2. Openness**

Except as noted below, the transmission planning portion of the stakeholder meetings will be open to any interested party, including current Transmission and Network Customers, representatives from the Kentucky Public Service Commission, and utilities with whom the Transmission Owner's transmission system is interconnected. Entities attending the transmission planning portion of the stakeholder meetings will be invited to provide their comments, concerns, or relevant study data using the procedures set forth in Part I above.

The Transmission Owner will use a confidentiality agreement, included as Appendix 1 to this Attachment K, to address sharing of potential Critical Energy Infrastructure Information or similar information (collectively, "CEII") and/or confidential transmission planning information. Any File Transfer Protocol ("FTP") sites containing such information will require such agreement to be executed in order to obtain access. If a stakeholder meeting will include discussion of CEII and/or confidential information, the Transmission Owner will provide notice to stakeholders beforehand, together with an opportunity to execute a confidentiality agreement (if the stakeholder has not already executed one), so that the stakeholder can participate in such meeting. In the alternative, stakeholder meetings will be structured to have separate discussion of issues involving CEII and/or confidential data, with only those participants who have agreed to execute the confidentiality agreement in Appendix 1.

The Transmission Owner will not use a confidentiality agreement to address sharing of information that is neither CEII nor confidential transmission planning information. If a stakeholder meeting will not include discussion of CEII and/or confidential transmission planning information, the Transmission Owner will provide notice to stakeholders beforehand so that the stakeholders can participate in such meeting.

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Pursuant to FERC regulations, the Transmission Owner and the ITO will identify as CEII specific engineering, vulnerability or detailed design information about proposed or existing critical infrastructure that:

- (i) Relates details about the production, generation, transportation, transmission, or distribution of energy;
- (ii) Could be useful to a person planning an attack on critical infrastructure;
- (iii) Is exempt from mandatory disclosure under FOIA; and
- (iv) Does not simply give the general location of the critical infrastructure.

This definition includes, but is not limited to, the annual transmission expansion plan and all drafts thereof.

In order to participate in the transmission planning portion of the stakeholder meetings in which any CEII or confidential transmission planning information is discussed, or to gain access to the transmission planning links on the Transmission Owner's OASIS which include CEII or confidential transmission planning information, the entity requesting participation must execute a Confidentiality Agreement, the form of which is attached hereto in Appendix 1.

Additionally, pursuant to Section 6 of the Confidentiality Agreement, each employee, expert, agent or representative of the stakeholder who is to receive access to the confidential information must be identified on the List of Authorized Recipients, included as Exhibit A to the confidentiality agreement. Once the confidentiality agreement is executed, the ITO will contact the participating entity regarding the digital certificates, passwords, or key encryption required to access the transmission planning portion of the Transmission Owner's OASIS. Nothing herein shall require or obligate the Transmission Owner or ITO to release or provide access to potential CEII, critical assets or critical cyber assets-related information in a manner inconsistent with applicable law, regulation, mandatory reliability standards or prudent utility practice, as determined in the discretion of the Transmission Owner or ITO, reasonably applied.

Stakeholders that have not executed a confidentiality agreement can still participate in portions of the transmission planning portion of the stakeholder meetings that do not involve confidential information and/or CEII.

### **3. Transparency**

Under the terms of the Network Operating Agreement ("NOA"), Network Customers, including the Transmission Owner's Load Serving Entity, are required to provide no later than October 31 of each year, Network Resource availability forecast (e.g., all planned resource outages, including off-line and on-line dates) for the following year. The primary focus for transmission planning is contracted, long-term firm usage. The Transmission Owner invites firm Point-to-Point customers to provide information regarding their usage that will exceed five years, including information such as the Point-to-Point customer's anticipated volumes, identification

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of source and sink points, and whether the customer anticipates using the system on- or off-peak. This information should also be provided no later than October 31 of each year.

The Transmission Owner commences its transmission expansion planning process considering any input from the SPC and the information provided by transmission customers, as described in this Section 3. A preliminary draft of the transmission expansion plan will be prepared by the Transmission Owner, and distributed to stakeholders who have executed a confidentiality agreement fifteen days prior to the July stakeholder meeting. The Transmission Owner will take the oral comments provided by stakeholders at the July stakeholder meeting, and any other written comments provided on the draft transmission expansion plan up to 30 days after the July stakeholder meeting, into account when preparing the final draft of the transmission expansion plan. The final draft is presented to the ITO for review and approval by October 31. The final version of the transmission expansion plan, along with the comments of the ITO, will be distributed to stakeholders fifteen days prior to the November stakeholder meeting.

The timelines/dates for data exchange are included in the flowchart attached hereto as Appendix 2.

The planning criteria are available at: <http://www.oatioasis.com/LGEE/index.html> under the heading “Business Practices, Waivers, and Exemptions” and then “LG&E-KU Transmission Planning Guidelines.” See Appendix 3.

The Planning Guidelines are applied to power flow models containing all of the data collected from customers to identify overloaded elements. Potential solutions are identified, and a least cost revenue requirements analysis is then applied to select solutions to resolve these problems.

The Transmission System Planning Guidelines are to be made available on the OASIS. These guidelines outline the basic criteria, assumptions, and data that underlie transmission planning for the Transmission System, including:

- Adherence to NERC and SERC reliability standards;
- Treatment of native load;
- Transmission contingencies and measurements;
- Thermal and voltage limits;
- Minimum operating voltage at Generators; and
- Modeling considerations.

These Transmission System Planning Guidelines have been designed to allow others to replicate the transmission modeling process. All of the underlying data and assumptions used in developing the transmission plan will be available on the OASIS. This information will be available to any stakeholder who has completed a confidentiality agreement. Additionally, the Transmission Owner uses GE’s PSLF (“Positive Sequence Load Flow”) software in the planning process.



Via the transmission planning portion of OASIS, semi-annual updates on the status of all transmission expansion projects, including projected completion dates, will be posted. In addition, members of the SPC will receive status reports in advance of each SPC meeting. If stakeholders have questions for the monthly meetings, they may submit such inquiries to the Manager of Transmission Strategy and Planning via the ITO.

#### **4. Information Exchange**

Under the terms of the Network Operating Agreement (“NOA”), Network Customers are required to provide no later than October 31 of each year, Network Resource availability forecast (e.g., all planned resource outages, including off-line and on-line dates) for the following year. Such forecasts are required to be made in accordance with Good Utility Practice. The Network Customer must inform the Transmission Owner, in a timely manner, of any changes to the Network Customer’s Network Resource availability forecast. In addition to the information required under the NOA, for the purposes of transmission planning, Network Customers will also be required to provide, no later than October 31 of each year, their load forecasts for the next ten years (the planning horizon). Additionally, Network Customers will also be required to update these load forecasts to the extent that they change during the year.

The primary focus for the Transmission Owner’s transmission planning is contracted, long-term firm usage. The Transmission Owner invites long-term firm Point-to-Point customers to provide information regarding their usage, including information such as the Point-to-Point customer’s anticipated volumes, identification of source and sink points, and whether the customer anticipates using the system on- or off-peak. This information should also be provided no later than October 31 of each year.

Information to be used by the Transmission Owner in drafting the transmission expansion plan must be submitted no later than October 31 of each year. This information shall be provided to the Transmission Owner in PSLF Format or in a spreadsheet via e-mail or on CD-ROM via Federal Express to the Manager of Transmission Strategy Planning. Transmission customers should provide the Transmission Owner with timely written notice of material changes in any information previously provided relating to its load, its resources, or other aspects of its facilities or operations affecting the Transmission Owner’s ability to provide service.

To the extent that the Transmission Owner requires additional information from Transmission Customers and/or other interested parties in support of regional transmission planning pursuant to Sections 11-31 herein, the Transmission Owner may request such additional information as described in Section 14 herein.

#### **5. Comparability**

For the purposes of transmission planning, including participation in the SPC and stakeholder meetings, all Network Customers, including the Transmission Owner’s native load, and Long-Term Firm Point-to-Point Customers (*i.e.*, with a term of five years or more) will be treated comparably.

Stakeholders may propose transmission, generation and demand resources or other alternative solutions to needs identified during the transmission planning process, and proponents of all alternative solutions will be given equal opportunity to participate. Any entity proposing resources must complete a data sheet which will be posted on OASIS that will identify direct control load and interruptible demand. Advanced technologies and demand-side resources will be treated comparably, where appropriate in the transmission planning process, to transmission and generation solutions. Transmission plans developed under this Attachment K will be technology neutral, balancing costs, benefits and risks associated with the use of demand-side resources, transmission, generation or other alternative solutions to meet the needs of transmission customers and the Transmission Owner.

## **6. Dispute Resolution**

Any dispute, claim or controversy amongst the Transmission Owner, the ITO and/or a stakeholder regarding application of, or results from, local transmission planning undertaken pursuant to Sections 1-10 herein, including any Transmission Owner activities undertaken pursuant to Section 7, Regional Coordination (each a “Dispute”) shall be resolved in accordance with the procedures set forth in this Section 6. For the avoidance of doubt, any dispute between the ITO and the Transmission Owner shall be resolved pursuant to the dispute resolution provisions of the ITO Agreement.

a. Notice of Dispute. In the event of a Dispute under this Section 6, any party to the Dispute may provide written notice to the other parties to the Dispute, including a description of the nature of the Dispute.

b. Dispute Resolution by Representatives. The parties to the Dispute shall first refer the Dispute to their respective representatives who shall negotiate in good faith to resolve the Dispute.

c. Dispute Resolution by Executive Management Representatives. If the Dispute is not resolved within fifteen (15) days of being referred to the disputing parties’ representatives pursuant to subsection b of this Section 6, then each party shall have five (5) days to appoint an executive management representative who shall negotiate in good faith to resolve the Dispute.

d. Dispute Resolution by Mediation. If the parties’ executive management representatives are unable to resolve the Dispute within thirty (30) days of their appointment, the parties shall proceed in good faith to submit the matter to a mediator mutually acceptable to the disputing parties. The parties will share equally in the cost of such mediation, which will be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association.

e. Arbitration. If the parties are unable to resolve the Dispute within thirty (30) days after the appointment of a mediator pursuant to subsection d of this Section 6, then the Dispute may be filed as a complaint at FERC, or may be resolved according to the provisions for arbitration and any other remedies as outlined in this subsection e.

- i. Choice of Arbitrator(s). Any arbitration initiated under subsection e 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 (10) days of the referral of the Dispute to arbitration, each disputing party shall choose one arbitrator who shall sit on a three-member arbitration panel. The arbitrator(s) shall provide each of the disputing parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.
  - ii. Arbitration Decisions. Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the disputing parties in writing of such decision and the reasons therefore. The decision of the arbitrator(s) shall be final and binding upon the disputing parties, and judgment on the award may be entered in any court having jurisdiction; provided, to the extent the final decision of the arbitrator(s) affects jurisdictional rates, terms and conditions of service or facilities, it must also be filed with the FERC consistent with applicable law, and its effectiveness is contingent upon applicable filing and acceptance provisions of applicable law, if any. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act.
  - iii. Costs. Each disputing party shall be responsible for its own costs incurred during the arbitration process and for the cost of the arbitrator chosen by the disputing party to sit on the three member panel or, if applicable, one third of the cost of the single arbitrator jointly chosen by the disputing parties.
- f. Notwithstanding these Dispute Resolution procedures, any party to dispute retains its rights to file a complaint pursuant to Section 206 of the Federal Power Act.
- g. Any procedural or substantive dispute between a stakeholder and an SIRPP Participating Transmission Provider (other than the Transmission Owner under this OATT) that arises from the SIRPP will be addressed by the Dispute Resolution measures contained the SIRPP regional planning process, attached hereto.
- h. Any procedural or substantive dispute that arises from the SERTP Process will be addressed by the regional Dispute Resolution Measures contained in Section 15 herein.

## **7. Regional Coordination**

This planning principle applies only to the Transmission Owner's local transmission planning process. For the avoidance of doubt, the Transmission Owner's regional transmission planning in accordance with Order No. 1000 is conducted in accordance with the SERTP Process, Sections 11-31 herein.

The Transmission Owner has joined the SIRPP announced by Southern Company in August 2007. The Transmission Owner has been, and will continue to be, an active participant

in this group. The goal of the SIRPP is to complement the planning processes developed by the Participating Transmission Providers. The process will provide a means for conducting stakeholder requested Economic Planning Studies across multiple interconnected systems. The SIRPP will build on the current inter-regional, reliability planning processes required by existing multi-party reliability agreements to allow for additional participation by stakeholders. As proposed, each Participating Transmission Provider's Attachment K process will be utilized to collect data, coordinate planning assumptions, and to address stakeholder requested Economic Planning Studies internal to their respective regions. The data and assumptions developed at the regional level through the planning process described in this Attachment K (which incorporates SPC and stakeholder input) will then be consolidated and used in the development of models for use in the Inter-Regional Process. In addition to Southern Company, other entities involved in this regional planning process are Duke Energy Carolinas, Entergy, Progress Energy Carolinas, the Tennessee Valley Authority, South Carolina Electric & Gas, Santee Cooper, Alabama Electric Cooperative, Dalton Utilities, Georgia Transmission, Municipal Electric Authority of Georgia and South Mississippi Electric Power Association.

The complete SIRPP process document is attached hereto at Appendix 4.

The Transmission Owner also is involved in the TVA sub regional planning process, or Central Public Power Partners group. The Transmission Owner also participates in the MISO-PJM-TVA planning process, as an interested neighboring utility. TVA is the Reliability Coordinator under this OATT, and is a signatory to the Congestion Management Process ("CMP," referenced herein at Attachment Q); TVA participates in the CMP on its own behalf and on behalf of the Transmission Owner. In addition to this contractual relationship, the Transmission Owner participates with affected systems such as MISO, PJM, and TVA on affected system studies when new generator interconnections so require.

The Transmission Owner participates in the NERC Working Group annual Multi-regional Modeling ("MMWG") process through SERC. This is a bottom-up process: when projects are added to the Transmission Owner's model through the stakeholder processes outlined in this Attachment K, the information gathered through that process may be included in the MMWG plan if it meets the Working Group's criteria. There is no separate timeline for evaluating under the MMWG; once a project is added to the Transmission Owner's model, it is included in the MMWG.

Additionally, the Transmission System is interconnected with the transmission systems of East Kentucky Power Cooperative, Inc. ("EKPC"), American Electric Power subsidiaries Kentucky Power Company, Appalachian Power Company, and Ohio Power Company (collectively, "AEP"), and Duke Energy Ohio and Duke Energy Indiana (collectively, "Duke Energy"). Under the terms of the wires-to-wires interconnection agreements with each of these entities, the Transmission Owner, EKPC, AEP, and Duke Energy provide input to NERC which develops models of the eastern interconnection.

SERC is the regional reliability organization for the Transmission Owner. The Transmission Owner supports the concept of regional and/or subregional processes evolving

over time as stakeholders gain experience, and is happy to participate in the proposed inter-regional SERC process.

As an overall matter, the regional programs described herein operate on bottom-up principles: the individual transmission-owning participants work with their stakeholders to identify problems or projects, which are then presented to the regional group as appropriate. The project or problem is then studied and/or acted upon pursuant to the regional group's standards committee using objective criteria. If a project moves forward at the regional level, costs are allocated pursuant to the regional group's cost allocation methodology (if any). For the cost allocation methodology associated with the SIRPP, see the SIRPP process document attached hereto at Appendix 4.

As part of the Transmission Owner's on-going transmission planning efforts, the Transmission Owner will assess whether alternative transmission solutions may be required in addition to, or in place of, a potential regional transmission project selected in the SERTP regional plan for regional cost allocation purposes due to the delay in its development or abandonment of the regional project. In this regard, the transmission developer shall promptly notify the Transmission Owner should any material changes or delays be encountered in the development of the potential transmission project. If, due to such delay or abandonment, the Transmission Owner determines that a project selected in the SERTP regional plan for regional cost allocation purposes no longer adequately addresses underlying transmission needs and/or no longer remains more efficient and cost effective, then the Transmission Owner may proceed with reevaluating its local transmission plan to seek appropriate solution(s). If the regional project is removed from being selected in the SERTP regional plan for regional cost allocation purposes due to delay or abandonment by the transmission developer, then the transmission developer shall be responsible for any increased as provided for in Section 29 herein.

## **8. Local Economic Planning and Local Consideration of Public Policy Requirements**

### **A. Local Economic Planning Studies**

Members of the SPC will form the Economic Expansion Planning ("EP") subcommittee, which will develop a process for considering local economic projects. The EP subcommittee will be made up of members from the SPC.

Local economic planning studies will be open to participation by all Transmission and Network Customers and interested parties. Local economic planning studies may be used to evaluate network additions or upgrades that are not required to maintain NERC or SERC standards of reliability on the Transmission System, or to accommodate a request for transmission service, but that may alleviate significant and/or recurring congestion on some portion of the Transmission System. Local economic planning studies may also be used to evaluate network additions or upgrades necessary to integrate any new resource or load on the local Transmission System.

In July, the ITO will open a queue on the OASIS for the submission of requests for local economic planning studies. Requests for local economic planning studies may be submitted by

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Transmission Customers, Network Customers, Eligible Customers, Interconnection Customers, or other stakeholders. The queue will remain open for sixty (60) days. In August, each Transmission or Network Customer, or other member of the SPC, may nominate one person to the EP Subcommittee. The EP Subcommittee will evaluate and prioritize the requests for local economic studies, including clustering any study requests. The EP Subcommittee will establish its own rules of procedure. The EP Subcommittee shall present its recommendations to the SPC at the November stakeholder meeting. The top five (5) requests approved by the SPC shall be performed by the Transmission Owner by the next July stakeholder meeting each year, so that the results may be reviewed in conjunction with the transmission expansion planning process. The results will also be posted on OASIS.

As discussed below, the costs for the top five (5) requests identified by the SPC shall be included in the Transmission Owner's transmission rates. If a customer's request was not identified in the top five (5), then the customer may request that the Transmission Owner complete the study and assess the customer directly for the costs of the study.

The Transmission Owner shall perform the local economic planning studies to the extent it has the data necessary to perform such a study. The Transmission Owner may solicit the requesting customer(s), or the Transmission Owner's Load Serving Entity for additional information and data necessary to perform the requested economic planning study. Such information and data will be subject to confidentiality provisions, and/or Standards of Conduct, as appropriate.

The performance of a local economic planning study is for evaluation purposes only. The Transmission Owner is under no obligation to build any network additions or upgrades identified by the economic planning studies.

The costs for the top five (5) yearly local economic planning studies performed solely for the Transmission Owner's system shall be included in the Transmission Owner's transmission rates via a line-item added to the Transmission Owner's formula rate to collect these expense items. If a customer's request was not identified in the top five (5), then the customer may request that the Transmission Owner complete the study and assess the customer directly for the costs of the study.

Economic Study requests that are regional in nature will be referred to the regional economic study process outlined in Section 17.

### B. Local Consideration of Public Policy Requirements

The Transmission Owner addresses transmission needs driven by enacted state and federal laws and/or regulations ("Public Policy Requirements") in its routine planning, design, construction, operation, and maintenance of the local Transmission System. In this regard, the Transmission Owner addresses transmission needs driven by the Public Policy Requirements of load serving entities and wholesale transmission customers through the planning for and provision of long-term firm transmission services to meet i) native load and ii) wholesale Transmission Customer obligations under the Tariff.

In order for the Transmission Owner to consider local transmission needs driven by Public Policy Requirements that are proposed by a stakeholder, the stakeholder must provide the following information via a submittal to OASIS:

1. The applicable Public Policy Requirement, which must be a requirement established by an enacted state or federal law(s) and/or regulation(s); and
2. An explanation of the possible local transmission need driven by the Public Policy Requirement (*e.g.*, the situation or system condition for which possible solutions may be needed, as opposed to a specific transmission project) and an explanation and/or demonstration that the current iteration of the transmission expansion plan(s) does not adequately address that need.

Stakeholders that propose a local transmission need driven by a Public Policy Requirement for evaluation by the Transmission Owner in the current transmission planning cycle must provide the requisite information to the Transmission Owner no later than 60 calendar days after the November stakeholder meeting. That information is to be provided in accordance with the contact information provided on OASIS.

In the local transmission planning process for that planning cycle, the Transmission Owner will evaluate stakeholder input to determine if there is a local transmission need driven by the Public Policy Requirement identified by the stakeholder that should be addressed in the local transmission expansion plan. If a local transmission need driven by Public Policy Requirements is identified that is not already addressed in the local transmission expansion planning process, the Transmission Owner will identify a local transmission solution to address the aforementioned need in the planning processes.

Stakeholder input regarding potential local transmission needs driven by Public Policy Requirements may be directed to the governing Tariff process as appropriate. For example, if the potential local transmission need identified by the Stakeholder is essentially a request by a network customer to integrate a new network resource, the request would be directed to that existing Tariff process.

The Transmission Owner will provide and post on OASIS a response to stakeholder input regarding local transmission needs driven by Public Policy Requirements.

## **9. Cost Allocation**

The Transmission Owner has included the following cost allocation criteria for economic upgrades or additions for purposes of its Order 890 filing; for the avoidance of doubt, this planning principle only applies to the Transmission Owner's local transmission planning process.

Once formed, the SPC will examine the criteria to form a recommendation to the Transmission Owner on whether revised criteria should be developed (including any criteria

regarding protection against “free riders”), with input from all stakeholders and interested parties including the Kentucky Public Service Commission.

The following cost allocation criteria do not apply to network upgrades or additions necessary to maintain Transmission System reliability pursuant to NERC or SERC standards, nor do they apply to network upgrades or additions identified in conjunction with a transmission service request. No upgrades described in this Section 9 will be built unless the Transmission Owner has a guarantee from the customers requesting such upgrade that they will pay for the upgrade and that the Transmission Owner will not be responsible for any of the costs of the upgrade.

- A. Local Economic Upgrades or Additions. If a network upgrade or addition is identified in a local economic planning study requested by a single customer, and if such addition or upgrade is then approved for construction, then the customer requesting the upgrade shall agree to pay for the costs of the upgrade. If the customer(s) fail to agree to pay the costs identified, then the request will be deemed withdrawn.
- B. Projects with Multiple Transmission Customers. For a network upgrade or addition that is requested by more than one Transmission or Network Customer, the customers requesting the upgrade shall agree as to how the costs of the upgrade shall be allocated among the customer(s) identified in the local economic planning study. If the customer(s) fail to reach an agreement, the ITO shall allocate the costs of the upgrade on an equal, per capita basis to all customers requesting the upgrade.

## **10. Recovery of Planning Costs**

The LG&E/KU OATT does not separately track planning-related costs; rather, the costs of all such reliability planning is included in the rates for jurisdictional transmission services. To the extent that the Transmission Owner is required to provide local economic planning, and to the extent that the Transmission Owner is permitted to recover costs for such local economic planning, for studies in excess of the five annual studies identified by the EP, the Transmission Owner proposes to book such expenses in a separate transmission operating subaccount and charge these costs to all entities that sign an economic expansion study agreement. A copy of the local economic planning study agreement, for those stakeholders who commission economic planning studies outside of the five identified by the EP, is attached hereto as Appendix 5.

The Transmission Owner agrees to work with stakeholders and state agencies to determine if any other entities are in need of cost recovery for planning related activities and, if so, how those costs will be recovered.

The Transmission Owner’s costs associated with planning activities for the SERTP Process (Sections 11 – 31) will be rolled into jurisdictional transmission rates.



## **Regional Transmission Planning Process**

The Transmission Owner participates in SERTP described herein and on the Regional Planning Website, a link to which is found on the Transmission Owner’s OASIS. The other transmission owners and transmission providers that participate in this Southeastern Regional Transmission Planning Process are identified on the Regional Planning Website (“Sponsors”).<sup>1</sup>

The Transmission Owner participates in the SERTP through which transmission facilities and non-transmission alternatives may be proposed and evaluated. This regional transmission planning process develops a regional transmission plan that identifies the transmission facilities necessary to meet the needs of transmission providers and transmission customers in the transmission planning region for purposes of Order No. 1000. This regional transmission planning process is consistent with the provision of Commission-jurisdictional services at rates, terms and conditions that are just and reasonable and not unduly discriminatory or preferential, as described in Order No. 1000.

This regional transmission planning process satisfies the following seven principles, as set out and explained in Order Nos. 890 and 1000: coordination, openness, transparency, information exchange, comparability,<sup>2</sup> dispute resolution, and economic planning studies. This regional transmission planning process includes at Section 20 the procedures and mechanisms for considering transmission needs driven by Public Policy Requirements, consistent with Order No. 1000. This regional transmission planning process provides at Section 19 a mechanism for the recovery and allocation of planning costs consistent with Order No. 890. This regional transmission planning process includes at Section 22 a clear enrollment process for public and non-public utility transmission providers that make the choice to become part of a transmission planning region. This regional transmission planning process subjects enrollees to cost allocation if they are found to be beneficiaries of new transmission facilities selected in the

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<sup>1</sup> The Transmission Owner notes that the Transmission Owner’s participation in the SERTP is for purposes of regional planning only, since the Transmission Owner’s local planning is conducted in accordance with its local planning process as described in Sections 1 through 10 of this Attachment K. Further, while this Attachment K discusses the Transmission Owner largely effectuating the activities of the SERTP Process that are discussed herein, the Transmission Owner expects that the other Sponsors will also sponsor those activities. For example, while this Attachment K discusses the Transmission Owner hosting the Annual Transmission Planning Meetings, the Transmission Owner expects that it will be co-hosting such meetings with the other Sponsors. Accordingly, many of the duties described herein as being performed by the Transmission Owner may be performed in conjunction with one or more other Sponsors or may be performed entirely by, or be applicable only to, one or more other Sponsors. To the extent that this Attachment K makes statements that might be construed to imply establishing duties or obligations upon other Sponsors, no such duty or obligation is intended. Rather, such statements are intended to only mean that it is the Transmission Owner’s expectation that other Sponsors will engage in such activities. Accordingly, this Attachment K only establishes the duties and obligations of the Transmission Owner and the means by which Stakeholders may interact with the Transmission Owner with respect to regional planning, through the SERTP Process described herein.

<sup>2</sup> The Transmission Owner is committed to providing comparable and non-discriminatory transmission service. As such, comparability is not separately addressed in a stand-alone section of this Attachment K but instead permeates the SERTP process described in this Attachment K.

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regional transmission plan for purposes of cost allocation. The list of enrolled entities to the SERTP is found at Exhibit \_\_\_\_ to this Attachment K. The relevant cost allocation method or methods that satisfy the six regional cost allocation principles set forth in Order No. 1000 are described in Sections 26-27 of this Attachment K. Nothing in this regional transmission planning process includes an unduly discriminatory or preferential process for transmission project submission and selection.

As provided below, with respect to regional planning, the SERTP includes sufficient detail to enable Transmission Customers to understand:

- (i) The process for enrollment and terminating enrollment in the SERTP, which is set forth in Section 22 of this Attachment K;
- (ii) The process for consulting with customers regarding regional transmission planning, which is set forth in Section 11 of this Attachment K;
- (iii) The notice procedures and anticipated frequency of regional planning meetings, which is set forth in Sections 11 and 12 of this Attachment K;
- (iv) The Transmission Owner's regional transmission planning methodology, criteria, and processes, which are set forth in Section 13 of this Attachment K;
- (v) The method of disclosure of regional transmission planning criteria, assumptions and underlying data, which is set forth in Sections 12 and 13 of this Attachment K;
- (vi) The obligations of and methods for transmission customers to submit data if necessary to support the regional transmission planning process, which are set forth in Section 14 of this Attachment K;
- (vii) The process for submission of data by nonincumbent developers of transmission projects that wish to participate in the regional transmission planning process and seek regional cost allocation for purposes of Order No. 1000, which is set forth in Sections 23-31 of this Attachment K;
- (viii) The process for submission of data by merchant transmission developers that wish to participate in the regional transmission planning process, which is set forth in Section 21 of this Attachment K;
- (ix) The regional dispute resolution process, which is set forth in Section 15 of this Attachment K;
- (x) The study procedures for regional economic upgrades to address congestion or the integration of new resources, which is set forth in Section 17 of this Attachment K;

- (xi) The procedures and mechanisms for considering regional transmission needs driven by Public Policy Requirements, consistent with Order No. 1000, which are set forth in Section 20 of this Attachment K; and
- (xii) The relevant regional cost allocation method or methods satisfying the six regional cost allocation principles set forth in Order No. 1000, which is set forth at Section 27.

## 11. Coordination

**11.1 General:** The Southeastern Regional Transmission Planning Process is designed to eliminate the potential for undue discrimination in planning by establishing appropriate lines of communication between the Transmission Owner, its transmission-providing neighbors, affected state authorities, Transmission Customers, and other Stakeholders regarding transmission planning issues.

**11.2 Meeting Structure:** Each calendar year, the Southeastern Regional Transmission Planning Process will generally conduct and facilitate four (4) meetings (“Annual Transmission Planning Meetings”) that are open to all Stakeholders. However, the number of Annual Transmission Planning Meetings, or duration of any particular meeting, may be adjusted by announcement upon the Regional Planning Website, provided that any decision to reduce the number of Annual Transmission Planning Meetings must first be approved by the Sponsors and by the Regional Planning Stakeholders’ Group (“RPSG”). These meetings can be done in person, through phone conferences, or through other telecommunications or technical means that may be available. The details regarding any such meeting will be posted on the Regional Planning Website, with a projected meeting schedule for a calendar year being posted on the Regional Planning Website on or before December 31<sup>st</sup> of the prior calendar year, with firm dates for all Annual Transmission Planning Meetings being posted at least 60 calendar days prior to a particular meeting. The general structure and purpose of these four (4) meetings will be as follows:

**11.2.1 First RPSG Meeting and Interactive Training Session:** At this meeting, which will be held in the first quarter of each calendar year, the RPSG will be formed for purposes of that year. In addition, the Transmission Owner will meet with the RPSG and any other interested Stakeholders for the purposes of allowing the RPSG to select up to five (5) Stakeholder requested Economic Planning Studies<sup>3</sup> that they would like to have studied by the Transmission Owner and the Sponsors. At this meeting, the Transmission Owner will work with the RPSG to assist the RPSG in formulating these Economic Planning Study requests. Requests that are

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<sup>3</sup> As indicated *infra* at footnote 1, the Economic Planning Studies discussed in the regional planning portion of this Attachment K (Sections 11-31) refer to the regional Economic Planning Studies conducted through the SERTP process.

inter-regional in nature will be addressed in the Southeast Inter-Regional Participation Process. The Transmission Owner will also conduct an interactive training session regarding its transmission planning for all interested Stakeholders. This session will explain and discuss the underlying methodology and criteria that will be utilized to develop the transmission expansion plan<sup>4</sup> before that methodology and criteria are finalized for purposes of the development of that year's transmission expansion plan (*i.e.*, the expansion plan that will be implemented the following calendar year).<sup>5</sup> Stakeholders may submit comments to the Transmission Owner regarding the Transmission Owner's criteria and methodology during the discussion at the meeting or within ten (10) business days after the meeting, and the Transmission Owner will consider such comments. Depending upon the major transmission planning issues presented at that time, the Transmission Owner will provide various technical experts that will lead the discussion of pertinent transmission planning topics, respond to Stakeholder questions, and provide technical guidance regarding transmission planning matters. It is foreseeable that it may prove appropriate to shorten the training sessions as Stakeholders become increasingly knowledgeable regarding the Transmission Owner's transmission planning process and no longer need detailed training in this regard.

The Transmission Owner will also address transmission planning issues that the Stakeholders may raise.

**11.2.2 Preliminary Expansion Plan Meeting:** During the second quarter of each calendar year, the Transmission Owner will meet with all interested Stakeholders to explain and discuss: the Transmission Owner's preliminary transmission expansion plan, which is also input into that year's SERC (or other applicable NERC region's) regional model;

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<sup>4</sup> As indicated *infra* at footnote 1, all references in the regional planning portion of this Attachment K (Sections 11-31) to a transmission "plan," "planning," or "plans" should be construed to refer to regional transmission planning and the Transmission Owner's participation in the regional planning only. Processes relevant to local transmission planning are set forth in Sections 1-10 and govern all local transmission plans. Moreover, the iterative nature of transmission planning bears emphasis, with underlying assumptions, needs, and data inputs continually changing to reflect market decisions, load service requirements, and other developments. A transmission plan, thus, only represents the status of transmission planning when the plan was prepared.

<sup>5</sup> A regional transmission expansion plan completed during one calendar year (and presented to Stakeholders at that calendar year's Annual Transmission Planning Summit) is implemented the following calendar year. For example, the regional transmission expansion plan developed during 2014 and presented at the 2014 Annual Transmission Planning Summit is for the 2015 calendar year.

internal model updating and any other then-current coordination study activities with the transmission providers in the Florida Reliability Coordinating Council (“FRCC”); and any *ad hoc* coordination study activities that might be occurring. These preliminary transmission expansion plan, internal model updating, and coordination study activities will be described to the Stakeholders, with this meeting providing them an opportunity to supply their input and feedback, including the transmission plan/enhancement alternatives that the Stakeholders would like the Transmission Owner and the Sponsors to consider. In addition, the Transmission Owner will address transmission planning issues that the Stakeholders may raise and otherwise discuss with Stakeholders developments at the SERC (or other applicable NERC region’s) reliability assessment process.

**11.2.3 Second RPSG Meeting:** During the third quarter of each calendar year, the Transmission Owner will meet with the RPSG and any other interested Stakeholders to report the preliminary results for the Economic Planning Studies requested by the RPSG at the First RPSG Meeting and Interactive Training Session. Study results that are inter-regional in nature will be reported to the RPSG and interested Stakeholders as they become available from the Southeast Inter-Regional Planning Participation Process. This meeting will give the RPSG an opportunity to provide input and feedback regarding those preliminary results, including alternatives for possible transmission solutions that have been identified. At this meeting, the Transmission Owner shall provide feedback to the Stakeholders regarding transmission expansion plan alternatives that the Stakeholders may have provided at the Preliminary Expansion Plan Meeting, or within a designated time following that meeting. The Transmission Owner will also discuss with the Stakeholders the results of the SERC (or other applicable NERC region’s) regional model development for that year (with the Transmission Owner’s input into that model being its ten (10) year transmission expansion plan); any on-going coordination study activities with the FRCC transmission providers; and any *ad hoc* coordination study activities. In addition, the Transmission Owner will address transmission planning issues that the Stakeholders may raise.

**11.2.4 Annual Transmission Planning Summit and Assumptions Input Meeting:** During the fourth quarter of each calendar year, the Transmission Owner will host the annual Transmission Planning Summit and Assumptions Input Meeting.

**11.2.4.1 Annual Transmission Planning Summit:** At the Annual Transmission Planning Summit aspect of the Annual Transmission Planning Summit and Assumptions Input Meeting, the Transmission Owner will present the final results for the Economic Planning Studies. The results for such studies

that are inter-regional in nature will be reported to the RPSG and interested Stakeholders as they become available from the Southeast Inter-Regional Planning Participation Process. The Transmission Owner will also provide an overview of the ten (10) year transmission expansion plan, the results of that year's coordination study activities with the FRCC transmission providers, and the results of any *ad hoc* coordination study activities. The Transmission Owner will also provide an overview of the regional transmission plan for Order No. 1000 purposes, which should include the ten (10) year transmission expansion plan of the Transmission Owner. In addition, the Transmission Owner will address transmission planning issues that the Stakeholders may raise.

**11.2.4.2 Assumptions Input Session:** The Assumptions Input Session aspect of the Annual Transmission Planning Summit and Assumptions Input Meeting will take place following the annual Transmission Planning Summit and will provide an open forum for discussion with, and input from, the Stakeholders regarding: the data gathering and transmission model assumptions that will be used for the development of the Transmission Owner's following year's ten (10) year transmission expansion plan, which includes the Transmission Owner's input, to the extent applicable, into that year's SERC regional model development; internal model updating and any other then-current coordination study activities with the transmission providers in the Florida Reliability Coordinating Council ("FRCC"); and any *ad hoc* coordination study activities that might be occurring. This meeting may also serve to address miscellaneous transmission planning issues, such as reviewing the previous year's regional planning process, and to address specific transmission planning issues that may be raised by Stakeholders.

**11.3 Committee Structure – the RPSG:** To facilitate focused interactions and dialogue between the Transmission Owner and the Stakeholders regarding transmission planning, and to facilitate the development of the Economic Planning Studies, the RPSG was formed in March 2007. The RPSG has two primary purposes. First, the RPSG is charged with determining and proposing up to five (5) Economic Planning Studies on an annual basis and should consider clustering similar Economic Planning Study requests. The RPSG is also encouraged to coordinate with stakeholder groups in the area covered by the Southeast Inter-Regional Participation Process regarding requests for Economic Planning Studies that are inter-regional in nature. Second, the RPSG serves as the representative in interactions with the Transmission Owner and Sponsors for the eight (8) industry sectors identified below.

**11.3.1 RPSG Sector Representation:** The Stakeholders are organized into the following eight (8) sectors for voting purposes within the RPSG:

- (1) Transmission Owners/Operators<sup>6</sup>
- (2) Transmission Service Customers
- (3) Cooperative Utilities
- (4) Municipal Utilities
- (5) Power Marketers
- (6) Generation Owners/Developers
- (7) ISO/RTOs
- (8) Demand Side Management/Demand Side Response

**11.3.2 Sector Representation Requirements:** Representation within each sector is limited to two members, with the total membership within the RPSG being capped at 16 members (“Sector Members”). The Sector Members, each of whom must be a Stakeholder, are elected by Stakeholders, as discussed below. A single company, and all of its affiliates, subsidiaries, and parent company, is limited to participating in a single sector.

**11.3.3 Annual Reformulation:** The RPSG will be reformed annually at each First RPSG Meeting and Interactive Training Session discussed in Section 11.2.1. Specifically, the Sector Members will be elected for a term of approximately one year that will terminate upon the convening of the following year’s First RPSG Meeting and Interactive Training Session. Sector Members shall be elected by the Stakeholders physically present at the First RPSG Meeting and Interactive Training Session (voting by sector for the respective Sector Members). If elected, Sector Members may serve consecutive, one-year terms, and there is no limit on the number of terms that a Sector Member may serve.

**11.3.4 Simple Majority Voting:** RPSG decision-making that will be recognized by the Transmission Owner for purposes of this Attachment K shall be those authorized by a simple majority vote by the then-current Sector Members, with voting by proxy being permitted for a Sector Member that is unable to attend a particular meeting. The Transmission Owner will notify the RPSG of the matters upon which an RPSG vote is required and will use reasonable efforts to identify upon the Regional Planning Website

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<sup>6</sup> The Sponsors will not have a vote within the Transmission Owners/Operators sector, although they (or their affiliates, subsidiaries or parent company) shall have the right to participate in other sectors.

the matters for which an RPSG decision by simple majority vote is required prior to the vote, recognizing that developments might occur at a particular Annual Transmission Planning Meeting for which an RPSG vote is required but that could not be reasonably foreseen in advance. If the RPSG is unable to achieve a majority vote, or should the RPSG miss any of the deadlines prescribed herein or clearly identified on the Regional Planning Website and/or at a particular meeting to take any action, then the Transmission Owner will be relieved of any obligation that is associated with such RPSG action.

**11.3.5 RPSG Guidelines/Protocols:** The RPSG is a self-governing entity subject to the following requirements that may not be altered absent an appropriate filing with the Commission to amend this aspect of the Tariff: (i) the RPSG shall consist of the above-specified eight (8) sectors; (ii) each company, its affiliates, subsidiaries, and parent company, may only participate in a single sector; (iii) the RPSG shall be reformed annually, with the Sector Members serving terms of a single year; and (iv) RPSG decision-making shall be by a simple majority vote (*i.e.*, more than 50%) by the Sector Members, with voting by written proxy being recognized for a Sector Member unable to attend a particular meeting. There are no formal incorporating documents for the RPSG, nor are there formal agreements between the RPSG and the Transmission Owner. As a self-governing entity, to the extent that the RPSG desires to adopt other internal rules and/or protocols, or establish subcommittees or other structures, it may do so provided that any such rule, protocol, etc., does not conflict with or otherwise impede the foregoing requirements or other aspects of the Tariff. Any such additional action by the RPSG shall not impose additional burdens upon the Transmission Owner unless it agrees in advance to such in writing, and the costs of any such action shall not be borne or otherwise imposed upon the Transmission Owner unless the Transmission Owner agrees in advance to such in writing.

**11.4 The Role of the Transmission Owner in Coordinating the Activities of the Southeastern Regional Transmission Planning Process Meetings and of the Functions of the RPSG:** The Transmission Owner will host and conduct the above-described Annual Transmission Planning Meetings with Stakeholders.<sup>7</sup>

**11.5 Procedures Used to Notice Meetings and Other Planning-Related Communications:** Meetings notices, data, stakeholder questions, reports, announcements, registration for inclusion in distribution lists, means for being certified to receive CEII, and other transmission planning-related information will be posted on the Regional Planning Website. Stakeholders will also be provided notice regarding the annual meetings by e-mail messages (if they have

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<sup>7</sup> As previously discussed, the Transmission Owner expects that the other Sponsors will also be hosts and sponsors of these activities.



appropriately registered on the Regional Planning Website to be so notified). Accordingly, interested Stakeholders may register on the Regional Planning Website to be included in e-mail distribution lists (“Registered Stakeholder”). For purposes of clarification, a Stakeholder does not have to have received certification to access CEII in order to be a Registered Stakeholder.

**11.6 Procedures to Obtain CEII Information:** For access to information considered to be CEII, there will be a password protected area that contains such CEII information. Any Stakeholder may seek certification to have access to this CEII data area.

**11.7 The Regional Planning Website:** The Regional Planning Website will contain information regarding the Southeastern Regional Transmission Planning Process, including:

- Notice procedures and e-mail addresses for contacting the Sponsors and for questions;
- A calendar of meetings and other significant events, such as release of draft reports, final reports, data, etc.;
- A registration page that allows Stakeholders to register to be placed upon an e-mail distribution list to receive meetings notices and other announcements electronically; and
- The form in which meetings will occur (*i.e.*, in person, teleconference, webinar, *etc.*).

## **12. Openness**

**12.1 General:** The Annual Transmission Planning Meetings, whether consisting of in-person meetings, conference calls, or other communicative mediums, will be open to all Stakeholders. The Regional Planning Website will provide announcements of upcoming events, with Stakeholders being notified regarding the Annual Transmission Planning Meetings by such postings. In addition, Registered Stakeholders will also be notified by e-mail messages. Should any of the Annual Transmission Planning Meetings become too large or otherwise become unmanageable for the intended purpose(s), smaller breakout meetings may be utilized.

**12.2 Links to OASIS:** In addition to open meetings, the publicly available information, CEII-secured information (the latter of which is available to any Stakeholder certified to receive CEII), and certain confidential non-CEII information (as set forth below) shall be made available on the Regional Planning Website, a link to which is found on the Transmission Owner’s OASIS website, so as to further facilitate the availability of this transmission planning information on an open and comparable basis.

## 12.3 CEII Information

**12.3.1 Criteria and Description of CEII:** The Commission has defined CEII as being specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure (physical or virtual) that:

1. Relates details about the production, generation, transmission, or distribution of energy;
2. Could be useful to a person planning an attack on critical infrastructure;
3. Is exempt from mandatory disclosure under the Freedom of Information Act; and
4. Does not simply give the general location of the critical infrastructure.

**12.3.2 Secured Access to CEII Data:** The Regional Planning Website will have a secured area containing the CEII data involved in the Southeastern Regional Transmission Planning Process that will be password accessible to Stakeholders that have been certified to be eligible to receive CEII data. For CEII data involved in the Southeastern Regional Transmission Planning Process that did not originate with the Transmission Owner, the duty is incumbent upon the entity that submitted the CEII data to have clearly marked it as CEII.

**12.3.3 CEII Certification:** In order for a Stakeholder to be certified and be eligible for access to the CEII data involved in the Southeastern Regional Transmission Planning Process, the Stakeholder must follow the CEII certification procedures posted on the Regional Planning Website (*e.g.*, authorize background checks and execute the SERTP CEII Confidentiality Agreement posted on the Regional Planning Website). The Transmission Owner reserves the discretionary right to waive the certification process, in whole or in part, for anyone that the Transmission Owner deems appropriate to receive CEII information. The Transmission Owner also reserves the discretionary right to reject a request for CEII; upon such rejection, the requestor may pursue the dispute resolution procedures of Section 15.

**12.3.4 Discussions of CEII Data at the Annual Transmission Planning Meetings:** While the Annual Transmission Planning Meetings are open to all Stakeholders, if CEII information is to be discussed during a portion of such a meeting, those discussions will be limited to being only with those Stakeholders who have been certified eligible to have access to CEII information, with the Transmission Owner reserving the discretionary right at such meeting to certify a Stakeholder as being eligible if the Transmission Owner deems it appropriate to do so.

**12.4 Other Sponsor- and Stakeholder- Submitted Confidential Information:** The other Sponsors and Stakeholders that provide information to the Transmission Owner that foreseeably could implicate transmission planning should expect that such information will be made publicly available on the Regional Planning Website or may otherwise be provided to Stakeholders in accordance with the terms of this Attachment K. Should another Sponsor or Stakeholder consider any such information to be CEII, it shall clearly mark that information as CEII and bring that classification to the Transmission Owner’s attention at, or prior to, submittal. Should another Sponsor or Stakeholder consider any information to be submitted to the Transmission Owner to otherwise be confidential (*e.g.*, competitively sensitive), it shall clearly mark that information as such and notify the Transmission Owner in writing at, or prior to, submittal, recognizing that any such designation shall not result in any material delay in the development of the transmission expansion plan or any other transmission plan that the Transmission Owner (in whole or in part) is required to produce.

**12.5 Procedures to Obtain Confidential Non-CEII Information**

**12.5.1** The Transmission Owner shall make all reasonable efforts to preserve the confidentiality of information in accordance with the provisions of the Tariff, the requirements of (and/or agreements with) NERC, the requirements of (and/or agreements with) SERC (or other applicable NERC region), the provisions of any agreements with the other Sponsors and/or with the sponsors of the Southeast Inter-Regional Participation Process (“SIRPP”), and/or in accordance with any other contractual or legal confidentiality requirements.

**12.5.2 [RESERVED]**

**12.5.3 [RESERVED]**

**12.5.4** Without limiting the applicability of Section 12.5.1, to the extent competitively sensitive and/or otherwise confidential information (other than information that is confidential solely due to its being CEII) is provided in the transmission planning process and is needed to participate in the transmission planning process and to replicate transmission planning studies, it will be made available to those Stakeholders who have executed the SERTP Non-CEII Confidentiality Agreement (which agreement is posted on the Regional Planning Website). Importantly, if information should prove to contain both competitively sensitive/otherwise confidential information and CEII, then the requirements of both Section 12.3 and Section 12.5 would apply.

**12.5.5** Other transmission planning information shall be posted on the Regional Planning Website and may be password protected, as appropriate.

### 13. Transparency

**13.1 General:** Through the Annual Transmission Planning Meetings and postings made on the Regional Planning Website, the Transmission Owner will disclose to its Transmission Customers and other Stakeholders the basic criteria, assumptions, and data that underlie its transmission system plan, as well as information regarding the status of upgrades identified in the transmission plan. The process for notifying stakeholders of changes or updates in the data bases used for transmission planning shall be through the Annual Transmission Planning Meetings and/or by postings on the Regional Planning Website.

**13.2 The Availability of the Basic Methodology, Criteria, and Process the Transmission Owner Uses to Develop its Transmission Plan:** In an effort to enable Stakeholders to replicate the results of the Transmission Owner’s transmission planning studies, and thereby reduce the incidences of after-the-fact disputes regarding whether transmission planning has been conducted in an unduly discriminatory fashion, the Transmission Owner will provide the following information, or links thereto, on the Regional Planning Website:

- (1) The Electric Reliability Organization and Regional Entity reliability standards that the Transmission Owner utilizes, and complies with, in performing transmission planning.
- (2) The Transmission Owner’s internal policies, criteria, and guidelines that it utilizes in performing transmission planning.
- (3) Current software titles and version numbers used for transmission analyses by the Transmission Owner.

Any additional information necessary to replicate the results of the Transmission Owner’s planning studies will be provided in accordance with, and subject to, the CEII and confidentiality provisions specified in this Attachment K and Appendix 4.

**13.3 Additional Transmission Planning-Related Information:** In an effort to facilitate the Stakeholders’ understanding of the Transmission System, the Transmission Owner will also post additional transmission planning-related information that it deems appropriate on the Regional Planning Website.

**13.4 Additional Transmission Planning Business Practice Information:** In an effort to facilitate the Stakeholders’ understanding of the Business Practices related to Transmission Planning, the Transmission Owner will also post the following information on the Regional Planning Website:

- (1) Means for contacting the Transmission Owner.
- (2) Procedures for submittal of questions regarding transmission planning to the Transmission Owner (in general, questions of a non-immediate nature

will be collected and addressed through the Annual Transmission Planning Meeting process).

- (3) Instructions for how Stakeholders may obtain transmission base cases and other underlying data used for transmission planning.
- (4) Means for Transmission Customers having Service Agreements for Network Integration Transmission Service to provide load and resource assumptions to the Transmission Owner; provided that if there are specific means defined in a Transmission Customer’s Service Agreement for Network Integration Transmission Service (“NITSA”) or its corresponding NOA, then the NITSA or NOA shall control.
- (5) Means for Transmission Customers having Long-Term Service Agreements for Point-To-Point Transmission Service to provide to the Transmission Owner projections of their need for service over the planning horizon (including any potential rollover periods, if applicable), including transmission capacity, duration, receipt and delivery points, likely redirects, and resource assumptions; provided that if there are specific means defined in a Transmission Customer’s Long-Term Transmission Service Agreement for Point-To-Point Transmission Service, then the Service Agreement shall control.

### **13.5 Transparency Provided Through the Annual Transmission Planning Meetings**

#### **13.5.1 The First RPSG Meeting and Interactive Training Session**

**13.5.1.1 An Interactive Training Session Regarding the Transmission Owner’s Transmission Planning Methodologies and Criteria:** As discussed in (and subject to) Section 11.2.1, at the First RPSG Meeting and Interactive Training Session, the Transmission Owner will, among other things, conduct an interactive, training and input session for the Stakeholders regarding the methodologies and criteria that the Transmission Owner utilizes in conducting its transmission planning analyses. The purpose of these training and interactive sessions is to facilitate the Stakeholders’ ability to replicate transmission planning study results to those of the Transmission Owner.

**13.5.1.2 Presentation and Explanation of Underlying Transmission Planning Study Methodologies:** During the training session in the First RPSG Meeting and Interactive Training Session, the Transmission Owner will present and explain its transmission study methodologies. While not all of the following methodologies may be addressed at any single

meeting, these presentations may include explanations of the methodologies for the following types of studies:

1. Steady state thermal analysis.
2. Steady state voltage analysis.
3. Stability analysis.
4. Short-circuit analysis.
5. Nuclear plant off-site power requirements.
6. Interface analysis (*i.e.*, import and export capability).

**13.5.2 Presentation of Preliminary Modeling Assumptions:** At the Annual Transmission Planning Summit, the Transmission Owner will also provide to the Stakeholders its preliminary modeling assumptions for the development of the Transmission Owner's following year's ten (10) year transmission expansion plan. This information will be made available on the Regional Planning Website, with CEII information being secured by password access. The preliminary modeling assumptions that will be provided may include:

1. Study case definitions, including load levels studied and planning horizon information.
2. Resource assumptions, including on-system and off-system supplies for current and future native load and network customer needs.
3. Planned resource retirements.
4. Renewable resources under consideration.
5. Demand side options under consideration.
6. Long-term firm transmission service agreements.
7. Current TRM and CBM values.

**13.5.3 The Transmission Expansion Review and Input Process:** The Annual Transmission Planning Meetings will provide an interactive process over a calendar year for the Stakeholders to receive information and updates, as well as to provide input, regarding the Transmission Owner's development of its transmission expansion plan. This dynamic process will generally be provided as follows:

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1. At the Annual Transmission Planning Summit and Assumptions Input Meeting, the Transmission Owner will describe and explain to the Stakeholders the database assumptions for the ten (10) year transmission expansion plan that will be developed during the upcoming year. The Stakeholders will be allowed to provide input regarding the ten (10) year transmission expansion plan assumptions.
2. At the First RPSG Meeting and Interactive Training Session, the Transmission Owner will provide interactive training to the Stakeholders regarding the underlying criteria and methodologies utilized to develop the transmission expansion plan. The databases utilized by the Transmission Owner will be posted on the secured area of the Regional Planning Website.
3. To the extent that Stakeholders have transmission expansion plan/enhancement alternatives that they would like for the Transmission Owner and other Sponsors to consider, the Stakeholders shall perform analysis prior to, and provide any such analysis at, the Preliminary Expansion Plan Meeting. At the Preliminary Expansion Plan Meeting, the Transmission Owner will present its preliminary transmission expansion plan for the current ten (10) year planning horizon. The Transmission Owner and Stakeholders will engage in interactive expansion plan discussions regarding this preliminary analysis. This preliminary transmission expansion plan will be posted on the secure/CEII area of the Regional Planning Website at least 10 calendar days prior to the Preliminary Expansion Plan meeting.
4. The transmission expansion plan/enhancement alternatives suggested by the Stakeholders will be considered by the Transmission Owner for possible inclusion in the transmission expansion plan. When evaluating such proposed alternatives, the Transmission Owner will, from a transmission planning perspective, take into account factors such as, but not limited to, the proposed alternatives' impacts on reliability, relative economics, effectiveness of performance, impact on transmission service (and/or cost of transmission service) to other customers and on third-party systems, project feasibility/viability and lead time to install.
5. At the Second RPSG Meeting, the Transmission Owner will report to the Stakeholders regarding the suggestions/alternatives suggested by the Stakeholders at the Preliminary Expansion Plan Meeting. The then-current version of the transmission expansion plan will be posted on the secure/CEII area of the regional

planning website at least 10 calendar days prior to the Second RPSG Meeting.

6. At the Annual Transmission Planning Summit, the ten (10) year transmission expansion plan that will be implemented the following year will be presented to the Stakeholders. The Transmission Planning Summit presentations and the (10) year transmission expansion plan will be posted on the Regional Planning Website at least 10 calendar days prior to the Annual Transmission Planning Summit.

**13.5.4 Flowchart Diagramming the Steps of the Southeastern Regional Transmission Planning Process:** A flowchart diagramming the Southeastern Regional Transmission Planning Process, as well as providing the general timelines and milestones for the performance of the reliability planning activities described in Section 16 to this Attachment K, is provided in Exhibit K-3.

## **14. Information Exchange**

To the extent that the information described in this Section 14 has not already been exchanged pursuant to the Transmission Owner's local transmission planning process described in Sections 1-10 herein, the Transmission Owner may request that Transmission Customers and/or other interested parties provide additional information pursuant to this Section 14 in support of regional transmission planning pursuant to Sections 11-31 herein.

**14.1 General:** Transmission Customers having Service Agreements for Network Integration Transmission Service are required to submit information on their projected loads and resources on a comparable basis (*e.g.*, planning horizon and format) as used by transmission providers in planning for their native load. Transmission Customers having Service Agreements for Point-To-Point Transmission Service are required to submit any projections they have a need for service over the planning horizon and at what receipt and delivery points. Interconnection Customers having Interconnection Agreements under the Tariff are required to submit projected changes to their generating facility that could impact the Transmission Owner's performance of transmission planning studies. The purpose of this information that is provided by each class of customers is to facilitate the Transmission Owner's transmission planning process, with the September 1 due date of these data submissions by customers being timed to facilitate the Transmission Owner's development of its databases and model building for the following year's ten (10) year transmission expansion plan.

**14.2 Network Integration Transmission Service Customers:** By September 1 of each year, each Transmission Customer having Service Agreement[s] for Network Integration Transmission Service shall provide to the Transmission Owner an annual update of that Transmission Customer's Network Load and Network Resource forecasts for the following ten (10) years consistent with those



included in its Application for Network Integration Transmission Service under Part III of the Tariff.

- 14.3 Point-to-Point Transmission Service Customers:** By September 1 of each year, each Transmission Customers having Service Agreement[s] for long-term Firm Point-To-Point Transmission Service shall provide to the Transmission Owner usage projections for the term of service. Those projections shall include any projected redirects of that transmission service, and any projected resells or reassignments of the underlying transmission capacity. In addition, should the Transmission Customer have rollover rights associated with any such service agreement, the Transmission Customer shall also provide non-binding usage projections of any such rollover rights.
- 14.4 Demand Resource Projects:** The Transmission Owner expects that Transmission Customers having Service Agreements for Network Integration Transmission Service that have demand resource assets will appropriately reflect those assets in those customers' load projections. Should a Stakeholder have a demand resource asset that is not associated with such load projections that the Stakeholder would like to have considered for purposes of the transmission expansion plan, then the Stakeholder shall provide the necessary information (*e.g.* technical and operational characteristics, affected loads, cost, performance, lead time to install) in order for the Transmission Owner to consider such demand response resource comparably with other alternatives. The Stakeholder shall provide this information to the Transmission Owner by the Annual Transmission Planning Summit and Assumptions Input Meeting of the year prior to the implementation of the pertinent ten (10) year transmission expansion plan, and the Stakeholder should then continue to participate in this Southeastern Regional Transmission Planning Process. To the extent similarly situated, the Transmission Owner shall treat such Stakeholder submitted demand resource projects on a comparable basis for transmission planning purposes.
- 14.5 Interconnection Customers:** By September 1 of each year, each Interconnection Customer having an Interconnection Agreement[s] under the Tariff shall provide to the Transmission Owner annual updates of that Interconnection Customer's planned addition or upgrades (including status and expected in-service date), planned retirements, and environmental restrictions.
- 4.6 Notice of Material Change:** Transmission Customers and Interconnection Customers shall provide the Transmission Owner with timely written notice of material changes in any information previously provided related to any such customer's load, resources, or other aspects of its facilities, operations, or conditions of service materially affecting the Transmission Owner's ability to provide transmission service or materially affecting the Transmission System.

## 15. Dispute Resolution<sup>8</sup>

**15.1 Negotiation:** Any substantive or procedural dispute between the Transmission Owner and one or more Stakeholders (collectively, the “Parties”) that arises from the Attachment K transmission planning process generally shall be referred to a designated senior representative of the Transmission Owner and a senior representative of the pertinent Stakeholder(s) for resolution on an informal basis as promptly as practicable. Should the dispute also involve one or more other Sponsors of this Southeastern Transmission Planning Process or other Participating Transmission Owners of the Southeast Inter-Regional Participation Process, then such entity(ies) shall have the right to be included in “Parties” for purposes of this section and for purposes of that dispute, and any such entity shall also include a designated senior representative in the above discussed negotiations in an effort to resolve the dispute on an informal basis as promptly as practicable. In the event that the designated representatives are unable to resolve the dispute within thirty (30) days, or such other period as the Parties may unanimously agree upon, by unanimous agreement among the Parties such dispute may be voluntarily submitted to the use of the Commission’s Alternative Means of Dispute Resolution (18 C.F.R. § 385.604, as those regulations may be amended from time to time), the Commission’s Arbitration process (18 C.F.R. § 385.605, as those regulations may be amended from time to time) (collectively, “Commission ADR”), or such other dispute resolution process that the Parties may unanimously agree to utilize.

**15.2 Use of Dispute Resolution Processes:** In the event that the Parties voluntarily and unanimously agree to the use of a Commission ADR process or other dispute resolution procedure, then the Transmission Owner will have a notice posted to this effect on the Regional Planning Website, and an e-mail notice in that regard will be sent to Registered Stakeholders. In addition to the Parties, all Stakeholders and Sponsors shall be eligible to participate in any Commission ADR process as “participants”, as that or its successor term in meaning is used in 18 C.F.R. §§ 385.604, 385.605 as may be amended from time to time, for purposes of the Commission ADR process; provided, however, any such Stakeholder or Sponsor must first have provided written notice to the Transmission Owner within thirty (30) calendar days of the posting on the Regional Planning Website of the Parties’ notice of their intent to utilize a Commission ADR Process.

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<sup>8</sup> Any dispute, claim or controversy amongst the Transmission Owner, the ITO and/or a stakeholder regarding application of, or results from the Transmission Owner’s local transmission planning process contained in Sections 1-10 herein, including any Transmission Owner activities undertaken pursuant to Section 7, Regional Coordination (each a “Dispute”) shall be resolved in accordance with the procedures set forth in Section 6 herein. Any procedural or substantive dispute that arises from the SERTP will be addressed by the regional Dispute Resolution Measures contained in this Section 15.

- 15.3 Costs:** Each Party involved in a dispute resolution process hereunder, and each “participant” in a Commission ADR Process utilized in accordance with Section 15.2, shall be responsible for its own costs incurred during the dispute resolution process. Should additional costs be incurred during the dispute resolution process that are not directly attributable to a single Party/participant, then the Parties/participants shall each bear an equal share of such cost.
- 15.4 Rights under the Federal Power Act:** Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.
- 16. [Reserved]**
- 17. Economic Planning Studies<sup>9</sup>**
- 17.1 General – Economic Planning Study Requests:** Stakeholders will be allowed to request that the Transmission Owner perform up to five (5) Stakeholder requested economic planning studies (“Economic Planning Studies”) on an annual basis. Requests that are inter-regional in nature will be addressed in the SIRPP. Accordingly, it is expected that the RPSG will coordinate with other inter-regional stakeholders regarding Economic Planning Studies that are inter-regional in nature.
- 17.2 Parameters for the Economic Planning Studies:** These Economic Planning Studies shall be confined to sensitivity requests for bulk power transfers and/or to evaluate potential upgrades or other investments on the Transmission System that could reduce congestion or integrate new resources. Bulk power transfers from one area to another area with the region encompassed by this Southeastern Regional Transmission Planning Process (the “Region”) shall also constitute valid requests. The operative theory for the Economic Planning Studies is for them to identify meaningful information regarding the requirements for moving large amounts of power beyond that currently feasible, whether such transfers are internal to the Region or from this Region to interconnected regions. It should again be noted that requests that are inter-regional in nature will be addressed in the SIRPP.
- 17.3 Other Tariff Studies:** The Economic Planning Studies are not intended to replace System Impact Studies, Facility Studies, or any of the studies that are performed for transmission delivery service or interconnection service under the Tariff.
- 17.4 Clustering:** The RPSG should consider clustering similar Economic Planning Study requests. In this regard, if two or more of the RPSG requests are similar in nature and the Transmission Owner concludes that clustering of such requests and

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<sup>9</sup> The economic planning studies undertaken pursuant to this Section 17 are regional. Local economic planning studies are undertaken pursuant to Section 8 herein.

studies is appropriate, the Transmission Owner may, following communications with the RPSG, cluster those studies for purposes of the transmission evaluation. It is foreseeable that clustering of requests may occur during the SIRPP.

**17.5 Additional Economic Planning Studies:** Should a Stakeholder(s) request the performance of an Economic Planning Study in addition to the above-described five (5) Economic Planning Studies that the RPSG may request during a calendar year, then any such additional Economic Planning Study will only be performed if such Stakeholder(s) first agrees to bear the Transmission Owner’s actual costs for doing so and the costs incurred by any other Sponsor to perform such Economic Planning Study, recognizing that the Transmission Owner may only conduct a reasonable number of transmission planning studies per year. If affected by the request for such an additional Economic Planning Study, the Transmission Owner will provide to the requesting Stakeholder(s) a non-binding but good faith estimate of what the Transmission Owner expects its costs to be to perform the study prior to the Stakeholder(s) having to agree to bear those costs. Should the Stakeholder(s) decide to proceed with the additional study, then it shall pay the Transmission Owner’s and other affected Sponsor[s]’ estimated study costs up-front, with those costs being trued-up to the Transmission Owner’s and other affected Sponsor[s]’ actual costs upon the completion of the additional Economic Planning Study.

**17.6 Economic Planning Study Process**

1. Stakeholders will be prompted at the Annual Transmission Planning Summit to provide requests for the performance of Economic Planning Studies. Corresponding announcements will also be posted on the Regional Planning Website, and Registered Stakeholders will also receive e-mail notifications to provide such requests. An Economic Planning Study Request Form will be made available on the Regional Planning Website, and interested Stakeholders may submit any such completed request form on the non-secure area of the Regional Planning Website (unless such study request contains CEII, in which case the study request shall be provided to the Transmission Owner with the CEII identified, and the study request shall then be posted on the secure area of the Regional Planning Website).
2. Prior to each First RPSG Meeting, the RPSG shall compile the Economic Planning Study requests. At the First RPSG Meeting, the RPSG shall meet to discuss and select up to five (5) Economic Planning Studies to be requested to be performed. At the First RPSG Meeting, the Transmission Owner will coordinate with the RPSG and any interested Stakeholders to facilitate the RPSG’s efforts regarding its development and selection of the Economic Planning Study requests. Once the RPSG selects the Economic Planning Study(ies) (up to five annually), the RPSG will notify the Transmission Owner, who will post the results on the Regional Planning Website.

3. The Transmission Owner will post on the secure area of the Regional Planning Website the study assumptions for the five (5) Economic Planning Studies within thirty (30) days of the postings of the selected Economic Planning Studies on the Regional Planning Website. Registered Stakeholders will receive an e-mail notification of this posting, and an announcement will also be posted on the Regional Planning Website.
4. Stakeholders will have thirty (30) calendar days from the Transmission Owner's posting of the assumptions for the RPSG to provide comments regarding those assumptions. Any such comments shall be posted on the secure area of the Regional Planning Website if the comments concern CEII.
5. The preliminary results of the Economic Planning Studies will be presented at the Second RPSG Meeting. These results and related data will be posted on the secure area of the Regional Planning Website a minimum of 10 calendar days prior to the Second RPSG Meeting. Study results that are inter-regional in nature will be reported to the RPSG and interested Stakeholders and posted as they become available from the SIRPP. The Second RPSG Meeting will be an interactive session with the RPSG and other interested Stakeholders in which the Transmission Owner will explain the results, alternatives, methodology, criteria, and related considerations pertaining to those preliminary results. At that meeting, the Stakeholders may submit alternatives to the enhancement solutions identified in those preliminary results. All such alternatives must be submitted by Stakeholders within thirty (30) calendar days from the close of the Second RPSG Meeting. The Transmission Owner will consider the alternatives provided by the Stakeholders.
6. The final results of the Economic Planning Studies will be presented at the Annual Transmission Planning Summit, and the Transmission Owner will report regarding its consideration of the alternatives provided by Stakeholders. These final results will be posted on the secure area of the Regional Planning Website a minimum of 10 calendar days prior to the Transmission Planning Summit. Study results that are inter-regional in nature will be reported to the RPSG and interested Stakeholders and posted as they become available from the SIRPP.
7. The final results of the Economic Planning Studies will be non-binding upon the Transmission Owner and will provide general non-binding estimations of the required transmission upgrades, timing for their construction, and costs for completion.

18. [Reserved]

19. **Recovery of Planning Costs:** The Transmission Owner will recover its costs for regional transmission planning consistent with the terms of Section 10 herein.

20. **Consideration of Transmission Needs Driven by Public Policy Requirements**

**20.1 Procedures for the Consideration of Transmission Needs Driven by Public Policy Requirements:** The Transmission Owner addresses transmission needs driven by enacted state and federal laws and/or regulations (“Public Policy Requirements”) in its routine planning, design, construction, operation, and maintenance of the Transmission System. In this regard, the Transmission Owner addresses transmission needs driven by the Public Policy Requirements of load serving entities and wholesale transmission customers through the planning for and provision of long-term firm transmission services to meet i) native load and ii) wholesale Transmission Customer obligations under the Tariff.

**20.2 The Consideration of Transmission Needs Driven by Public Policy Requirements Identified Through Stakeholder Input and Proposals**

**20.2.1 Requisite Information:** In order for the Transmission Owner to consider transmission needs driven by Public Policy Requirements that are proposed by a Stakeholder, the Stakeholder must provide the following information via a submittal to the Regional Planning Website:

1. The applicable Public Policy Requirement, which must be a requirement established by an enacted state or federal law(s) and/or regulation(s); and
2. An explanation of the possible transmission need driven by the Public Policy Requirement identified in the immediately above subsection (1) (*e.g.*, the situation or system condition for which possible solutions may be needed, as opposed to a specific transmission project) and an explanation and/or demonstration that the current iteration of the transmission expansion plan(s) does not adequately address that need.

**20.2.2 Deadline for Providing Such Information:** Stakeholders that propose a transmission need driven by a Public Policy Requirement for evaluation by the Transmission Owner in the current transmission planning cycle must provide the requisite information identified in Section 20.2.1 to the Transmission Owner no later than 60 calendar days after the SERTP Annual Transmission Planning Summit and Input Assumptions Meeting for the previous transmission planning cycle. That information is to be provided in accordance with the contact information provided on the Regional Planning Website.

**20.3 Transmission Owner Evaluation of SERTP Stakeholder Input Regarding Potential Transmission Needs Driven by Public Policy Requirements**

**20.3.1** In the transmission planning process for that planning cycle, the Transmission Owner will evaluate Stakeholder input to determine if there is a transmission need driven by the Public Policy Requirement identified by the Stakeholder in Section 20.2 that should be addressed in the transmission expansion plan.

**20.3.2** If a transmission need is identified that is not already addressed in the transmission expansion planning process, the Transmission Owner will identify a transmission solution to address the aforementioned need in the planning processes.

**20.3.3** Stakeholder input regarding potential transmission needs driven by Public Policy Requirements may be directed to the governing Tariff process as appropriate. For example, if the potential transmission need identified by the Stakeholder is essentially a request by a network customer to integrate a new network resource, the request would be directed to that existing Tariff process.

**20.4 Posting Requirement:** The Transmission Owner will provide and post on the Regional Planning Website a response to Stakeholder input regarding transmission needs driven by Public Policy Requirements.

**21. Merchant Transmission Developers Proposing Transmission Facilities Impacting the SERTP:** Merchant transmission developers not seeking regional cost allocation pursuant to Sections 25-31 ("Merchant Transmission Developers") who propose to develop a transmission project(s) potentially impacting the Transmission System and/or transmission system(s) within the SERTP region shall provide information and data necessary for the Transmission Owner to assess the potential reliability and operational impacts of those proposed transmission facilities. That information should include:

- Transmission project timing, scope, network terminations, load flow data, stability data, HVDC data (as applicable), and other technical data necessary to assess potential impacts.

**22. Enrollment**

**22.1 General Eligibility for Enrollment:** A public utility or non-public utility transmission service provider and/or transmission owner having a statutory or tariff obligation to ensure that adequate transmission facilities exist within a portion of the SERTP region may enroll in the SERTP. Such transmission providers and transmission owners are thus potential beneficiaries for cost allocation purposes on behalf of their transmission customers. Entities who do not enroll will nevertheless be permitted to participate as stakeholders in the SERTP.

- 22.2 Enrollment Requirement In Order to Seek Regional Cost Allocation:** While enrollment is not generally required in order for a transmission developer to be eligible to propose a transmission project for evaluation and potential selection for regional cost allocation purposes (“RCAP”) pursuant to Sections 25-31, a potential transmission developer must enroll in the SERTP in order to be eligible to propose a transmission project for RCAP if it, an affiliate, subsidiary, member, owner or parent company has load in the SERTP.
- 22.3 Means to Enroll:** A public utility or non-public utility transmission service provider or transmission owners may provide an application to enroll in accordance with Sections 22.1 and 22.2 above, by executing the form of enrollment posted on the Regional Planning Website. The Transmission Owner is deemed to have enrolled for purposes of Order No. 1000 through this Attachment K.
- 22.4 List of Enrollees in the SERTP:** Exhibit \_\_\_\_ to this Attachment K provides a list of the public utility and non-public utility transmission service providers and transmission owners who have enrolled in the SERTP (“Enrollees”).
- 22.5 Enrollment, Cost Allocation Responsibility, and Conditions Precedent:** Enrollment will subject Enrollees to cost allocation if, during the period in which they are enrolled, it is determined in accordance with this Attachment K that the Enrollee is a beneficiary of a new transmission project(s) selected in the regional transmission plan for RCAP; provided, however, that the initial non-public utility transmission owners and/or transmission providers who have chosen to enroll at the time of the Transmission Owner’s initial compliance filing to the Commission’s requirements adopted in Order No. 1000/FERC Docket No. RM10-23 do so on the condition precedent that the Commission accepts that compliance filing without modification and without setting it for hearing or suspension. Should the Commission take any such action upon review of the Transmission Owner’s compliance filing or in any way otherwise modify, alter, or impose amendments to this Attachment K, then each such non-public utility will be under no obligation to enroll in the SERTP and will have sixty (60) days following that order or action to provide written notice to the Transmission Owner of whether it will, in fact, enroll in the SERTP. If, in that event, it decides not to enroll, the non-public utility shall not be subject to cost allocation under this Attachment K.
- 22.6 Conditions Subsequent Upon Enrollment:** Once enrolled, should the Commission, a Court, or any other governmental entity having the requisite authority modify, alter, or impose amendments to this Attachment K, then an enrolled non-public utility may immediately withdraw from this Attachment K by providing written notice within 60 days of that order or action, with the non-public utility’s termination being effective as of the close of business the prior business day before said modification, alteration, or amendment occurred. The withdrawing Enrollee will be subject to regional and interregional cost allocations, if any, to which it had agreed and that were determined in accordance



with this Attachment K during the period in which it was enrolled that such Enrollee was a beneficiary of new transmission facilities selected in the regional transmission plan for RCAP. Any withdrawing Enrollee will not be allocated costs for projects included in the regional transmission plan for RCAP after its termination of enrollment becomes effective in accordance with the provisions of this Section 22.6.

**22.7 Notification of Withdrawal:** An Enrollee wanting to terminate its enrollment in the SERTP may do so by providing written notification of such intent to the Transmission Owner. Except for non-public utilities terminating pursuant to Sections 22.5 or 22.6 above, the termination will be effective at the end of the then-current transmission planning cycle provided that the notification of withdrawal is provided to the Transmission Owner at least sixty (60) days prior to the Annual Transmission Planning Summit and Assumptions Input Meeting for that transmission planning cycle. The withdrawing Enrollee will be subject to regional and interregional cost allocations, if any, to which it had agreed and that were determined in accordance with this Attachment K during the period in which it was enrolled that such Enrollee was a beneficiary of new transmission facilities selected in the regional transmission plan for purposes of cost allocation. Any withdrawing Enrollee will not be allocated costs for projects included in the regional transmission plan for RCAP after its termination of enrollment becomes effective in accordance with the provisions of this Section 22.7.

**23. Qualification Criteria to Submit a Regional Transmission Project Proposal for Potential Selection in a Regional Transmission Plan for Purposes of Cost Allocation**

**23.1 Transmission Developer Qualification Criteria:** While additional financial and technical criteria may be required to be satisfied in order for a proposed transmission project to be selected and/or included in a regional plan for RCAP, a transmission developer must satisfy the following, initial qualification criteria to be eligible to propose a transmission project for potential selection in a regional transmission plan for RCAP.<sup>10</sup>

**23.1.1** If the transmission developer or its parent or owner or any affiliate, member or subsidiary has load in the SERTP region, the transmission developer must have enrolled in the SERTP in accordance with Section 22.2.

**23.1.2** In order to be eligible to propose a transmission project for consideration for selection for RCAP, the transmission developer must demonstrate that it satisfies the following, minimum financial capability and technical expertise requirements:

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<sup>10</sup> The regional cost allocation process provided hereunder in accordance with Section 23-31 is not the only means for allocating the costs of new transmission projects, as for example, merchant or other transmission developers may allocate and/or recover their costs through negotiated rates.

1. The transmission developer has and maintains a credit rating of BBB- or higher from Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"), or a credit rating of Baa3 or higher from Moody's Investors Service, Inc. In addition, the transmission developer's parent company's credit rating may be used to satisfy this requirement but only if the parent company commits in writing to provide a guaranty for the transmission developer if the proposed transmission project is selected for RCAP;<sup>11</sup>
2. The transmission developer provides documentation of its capability to finance U.S. energy projects equal to or greater than the cost of the proposed transmission project; and
3. The transmission developer has the capability to develop, construct, operate, and maintain U.S. electric transmission projects of similar or larger complexity, size, and scope as the proposed project. The transmission developer must demonstrate such capability by providing, at a minimum, the following information:
  - a. A summary of the transmission developer's: transmission projects in-service, under construction, and/or abandoned or otherwise not completed including locations, operating voltages, mileages, development schedules, and approximate installed costs; whether delays in project completion were encountered; and how these facilities are owned, operated and maintained. This may include projects and experience provided by a parent company or affiliates or other experience relevant to the development of the proposed project; and
  - b. If it or a parent, owner, affiliate, or member has been found in violation of any NERC and/or Regional Entity reliability standard and/or the violation of regulatory requirement(s) pertaining to the development, construction, ownership, operation, and/or maintenance of electric infrastructure facilities, an explanation of such violations.

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<sup>11</sup> If a project is selected for RCAP, having a BBB- and/or a Baa3 rating alone will not be sufficient to satisfy the requisite project security/collateral requirements.

**24. Transmission Facilities Potentially Eligible for RCAP:** In order for a transmission project proposed by a transmission developer to be considered for evaluation and potential selection for RCAP, the project must be regional in nature in that it must be a major transmission project effectuating significant bulk electric transfers across the SERTP region and addressing significant electrical needs. A regional transmission project eligible for RCAP would be a transmission line that would:

- a. operate at a voltage of 300 kV or greater and span 100 miles or more within the SERTP; and
- b. portions of said transmission line must be located in two or more balancing authority areas located in the SERTP.
  1. A transmission project that does not satisfy (a) and (b) above but that would effectuate similar, significant bulk electric transfers across the SERTP region and address similar, significant regional electrical needs will be considered on a case-by-case basis;
  2. The proposed transmission project cannot be an upgrade to an existing facility. In addition, the proposed transmission project cannot be located on the property and/or right-of-way (“ROW”) belonging to anyone other than the transmission developer absent the consent of the owner of the existing facility or ROW, as the case may be;
  3. In order for the proposed transmission project to be a more efficient and cost effective alternative to the projects identified by the transmission providers through their planning processes, it should be materially different than projects already under consideration and materially different than projects that have been previously considered in the expansion planning process; and
  4. The proposed transmission project must be able to be constructed and tied into the transmission system by the required in-service date.

**25. Submission and Evaluation of Proposals for Potential Selection in a Regional Transmission Plan for RCAP**

**25.1 Information to be Submitted:** A transmission developer must submit the following information in support of a transmission project it proposes for potential selection in a regional transmission plan for RCAP:

1. Documentation of the transmission developer’s ability to satisfy the qualification criteria required in Section 23;
2. Sufficient information for the Transmission Owner to determine that the potential transmission project satisfies the regional eligibility requirements of Section 24;

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3. If it or a parent, owner, affiliate, or member who will be performing work in connection with the potential transmission project is registered with NERC or other industry organizations pertaining to electric reliability and/or the development, construction, ownership, or operation, and/or maintenance of electric infrastructure facilities, a list of those registrations.
4. A description of the proposed transmission project that details the intended scope (including the various stages of the project development such as engineering, ROW acquisition, construction, recommended in-service date, etc.);
5. A capital cost estimate of the proposed transmission project. If the cost estimate differs greatly from generally accepted estimates of projects of comparable scope, the transmission developer will be required to support such differences;
6. Documentation of the technical analysis performed supporting the position that the proposed transmission project addresses the transmission needs and does so more efficiently and cost-effectively than specific projects included in the latest transmission expansion plan. Documentation must include the following:
  - The identification of: (a) transmission projects in the latest expansion plan that would be displaced by the proposed project, and (b) any additional projects that may be required in order to implement the proposed project; and
  - The data and/or files necessary to evaluate the transmission developer's analysis of the proposed transmission project;
7. The transmission developer must provide a reasonable explanation of, as it pertains to its proposed project, its planned approach to satisfy applicable regulatory requirements and its planned approach to obtain requisite authorizations necessary to acquire rights of way and to construct, operate, and maintain the proposed facility in the relevant jurisdictions;
  - The transmission developer should not expect to use the Transmission Owner's right of eminent domain for ROW acquisition; and
8. An administrative fee of \$25,000 to off-set the costs to review, process and evaluate each transmission project proposal. A refund of \$15,000 will be provided to the transmission developer if:
  - The transmission developer or its proposal is determined to not satisfy the qualification criteria in Section 23 through 25.1; or
  - The transmission developer withdraws its proposal by providing written notification of its intention to do so to the Transmission Owner

prior to the First RPSG Meeting and Interactive Training Session for that transmission planning cycle.

- 25.2 Deadline for Submittal:** In order for its transmission project to be considered for RCAP in the current transmission planning cycle, a transmission developer must provide the requisite information identified in Sections 23 through 25.1 to the Transmission Owner in accordance with the contact information provided on the Regional Planning Website no later than 60 calendar days after the SERTP Annual Transmission Planning Summit and Input Assumptions Meeting for the previous transmission planning cycle.
- 25.3 Initial Review of Qualification Criteria and Opportunity for Cure:** The Transmission Owner will notify transmission developers who do not meet the qualification criteria in Section 23 through 25.1, or who provide an incomplete submittal, within 30 calendar days of the submittal deadline to allow the transmission developers an opportunity to remedy any identified deficiency(ies). Transmission developers, so notified, will have 15 calendar days to resubmit the necessary supporting documentation to remedy the identified deficiency.
- 25.4 Change in the Transmission Developer’s Qualification Information or Circumstances:** The transmission developer has an obligation to update and report in writing to the Transmission Owner any change to its information that was provided as the basis for its satisfying the requirements of Sections 23 through 25, except that the transmission developer is not expected to update its technical analysis performed for purposes of Section 25.1(6) to reflect updated transmission planning data as the transmission planning cycle(s) progresses. If at any time the Transmission Owner concludes that a transmission developer or a potential transmission project proposed for RCAP purposes no longer satisfies such requirements specified in Sections 23 through 25, then the Transmission Owner may remove the transmission developer’s potential transmission project(s) from consideration for RCAP purposes and/or remove any and all such transmission project(s) from the selected category for RCAP purposes, as applicable.
- 26. Evaluation of Proposals for Selection in a Regional Transmission Plan for RCAP**
- 26.1 Potential Transmission Projects Seeking RCAP Will be Evaluated in the Normal Course of the Transmission Planning Process:** During the course of the then-current transmission expansion planning cycle (and thereby in conjunction with other system enhancements under consideration in the transmission planning process), the Transmission Owner will evaluate current transmission needs and assess alternatives to address current needs including the potential transmission projects proposed for RCAP by transmission developers. Such evaluation will be in accordance with, and subject to (among other things), state law pertaining to transmission ownership, siting, and construction. Utilizing coordinated models and assumptions, the Transmission Owner will apply its planning guidelines and criteria to evaluate submittals and determine whether:

1. The proposed transmission project addresses an underlying transmission need(s);
2. The proposed transmission project addresses transmission needs that are currently being addressed with projects in the transmission planning process and if so, which projects could be displaced by the proposed transmission project;<sup>12</sup>
3. Any additional projects would be required to implement the proposed transmission project.

## **26.2 Transmission Benefit-to-Cost Analysis Based Upon Planning Level Cost Estimates**

**26.2.1** Based upon the evaluation outlined in Section 26.1, the Transmission Owner will assess whether the proposed transmission project seeking RCAP is considered at that point in time to yield meaningful, net regional benefits. Specifically, the proposed transmission project should yield a regional transmission benefit-to-cost ratio of at least 1.25 and no individual Impacted Utility should incur increased, unmitigated transmission costs.<sup>13</sup>

- a. The benefit used in this calculation will be quantified by the transmission costs that the Beneficiaries would avoid due to their transmission projects being displaced by the transmission developer’s proposed transmission project.
- b. The cost used in this calculation will be quantified by the transmission cost of the project proposed for selection in a regional transmission plan for RCAP plus the transmission costs of any additional projects required to implement the proposal.
- c. The Transmission Owner will develop planning level cost estimates for use in determining the regional benefit-to-cost ratio. Detailed engineering estimates may be used if available.

**26.2.2** For potential transmission projects found to satisfy the foregoing benefit-to-cost analysis, the Transmission Owner and the Impacted Utilities will then consult with the transmission developer of that project to establish a

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<sup>12</sup> Entities that are identified to potentially have one or more of their planned transmission projects displaced by the transmission developer’s potential transmission project for RCAP shall be referred to as “Beneficiaries.”

<sup>13</sup> An entity would incur increased, unmitigated transmission costs should it incur more costs than displaced benefits and not be compensated/made whole for those additional costs. For purposes of this Attachment K, the terms “Impacted Utilities” shall mean: i) the Beneficiaries identified for the proposed transmission project and ii) any entity identified in this Section 26.2.1 to potentially have increased costs in order to implement the proposal.

schedule reflecting the expected in-service date of the project for: 1) the transmission developer to provide detailed financial terms for its proposed project that are acceptable to each Beneficiary and 2) the proposed transmission project to receive approval for RCAP from the jurisdictional and/or governance authorities of the Impacted Utilities.

**26.3 The Transmission Developer to Provide More Detailed Financial Terms Acceptable to the Beneficiaries and the Performance of a Detailed Transmission Benefit-to-Cost Analysis:** By the date specified in the schedule established in Section 26.2.2,<sup>14</sup> the transmission developer shall identify the detailed financial terms for its proposed project, establishing in detail: (a) the total cost to be allocated to the Beneficiaries if the proposal were to be selected for RCAP, and (b) the components that comprise that cost, such as the costs of:

- a. Engineering, procurement, and construction consistent with Good Utility Practice and standards and specifications acceptable to the Transmission Owner,
- b. Financing costs, required rates of return, and any and all incentive-based (including performance based) rate treatments,
- c. Ongoing operations and maintenance of the proposed transmission project,
- d. Provisions for restoration, spare equipment and materials, and emergency repairs, and
- e. Any applicable local, state, or federal taxes.

To determine whether the proposed project is considered at that time to remain a more efficient and cost effective alternative, the Transmission Owner will then perform a more detailed 1.25 transmission benefit-to-cost analysis consistent with that performed pursuant to Section 26.2.1. This more detailed transmission analysis will be based upon the detailed financial terms provided by the transmission developer, as may be modified by agreement of the transmission developer and Beneficiary(ies), and any additional, updated, and/or more detailed transmission planning, cost or benefit information/component(s) that are applicable to/available for the proposed transmission project, the projects that

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<sup>14</sup> The schedule established in accordance with Section 26.2.2 will reflect considerations such as the timing of those transmission needs the regional project may address as well as the lead-times of the regional project, transmission projects that must be implemented in support of the regional project, and projects that may be displaced by the regional project. This schedule may be revised by the Transmission Owner and the Impacted Utilities, in consultation with the transmission developer, as appropriate to address, for example, changes in circumstances and/or underlying assumptions.

would be displaced, and any additional projects required to implement the proposal.<sup>15</sup>

- 26.4 Jurisdictional and/or Governance Authority Approval and Selection for RCAP:** The project will be selected for RCAP in the then-current iteration of the regional plan for purposes of Order No. 1000, subject to the provisions of Section 28, if: the detailed financial terms provided in accordance with Section 26.3, as may be modified by agreement of the transmission developer and Beneficiary(ies), are acceptable to each Beneficiary; the proposed transmission project is found to satisfy the more detailed benefit-to-cost analysis specified in Section 26.3; and if approval is obtained from all of the jurisdictional and/or governance authorities of the Impacted Utilities by the date specified in the schedule adopted in accordance with Section 26.2.2.<sup>16</sup> If obtaining jurisdictional and/or governance authorities approval requires a modification of the detailed financial terms found acceptable in Section 26.3, and both the transmission developer and the Beneficiary(ies) agree to the modification, then the modified detailed financial terms shall be the basis for the regional cost allocation for purposes of the project.
- 27. Cost Allocation Methodology Based Upon Avoided Transmission Costs:** If a regional transmission project is selected in a regional plan for RCAP in accordance with Section 26.4 and then constructed and placed into service, the Beneficiaries identified in the detailed benefit-to-cost analysis performed in Section 26.3 to potentially have one or more of their planned transmission projects displaced by the transmission developer’s potential transmission project for RCAP will be allocated the regional transmission project’s costs in proportion to their respective displaced transmission costs as found acceptable in accordance with Sections 26.3 and 26.4.
- 28. On-Going Evaluations of Proposed Projects:** In order to ensure that the Transmission Owner can efficiently and cost effectively meet its respective reliability, duty to serve, and cost of service obligations, and to ensure that the proposed transmission project actually proves to be more efficient and cost effective, the Transmission Owner will continue to reevaluate a proposed transmission project, including any such projects that are being considered for potential selection for RCAP and any transmission projects that may have been selected for RCAP. This continued reevaluation will assess then-current transmission needs and determine whether the proposed transmission project continues to be needed and is more efficient and cost effective compared to alternatives as assessed in

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<sup>15</sup> The performance of this updated, detailed benefit-to-cost analysis might identify different Beneficiaries and/or Impacted Utilities than that identified in the initial benefit-to-cost analysis performed in accordance with Section 26.2.1.

<sup>16</sup> Being selected for RCAP in the then-current iteration of a regional plan only provides how the costs of the transmission project may be allocated in Commission-approved rates should the project be built. Being selected for RCAP provides no rights with regard to siting, construction, or ownership. The transmission developer must obtain all requisite approvals to site and build its transmission project. A transmission project may be removed from the selected category for RCAP in the regional plan in accordance with the provisions of Sections 25.4, 28 and 29.



subsequent expansion planning processes that reflect ongoing changes in actual and forecasted conditions. Even though a proposed project may have been selected for RCAP in an earlier regional plan, if it is determined that the proposed project is no longer needed and/or it is no longer more efficient and cost effective than alternatives, then the Transmission Owner may notify the transmission developer and remove the proposed project from the selected category for RCAP. Reevaluation will occur until it is no longer reasonably feasible to replace the proposed transmission project in that the proposed transmission project is in a material stage of construction and/or it is no longer considered reasonably feasible for an alternative transmission project to be placed in service in time to address the underlying transmission need(s) the proposed project is intended to address.

- 29. Delay or Abandonment:** As part of the Transmission Owner’s on-going transmission planning efforts, the Transmission Owner will assess whether alternative transmission solutions may be required in addition to, or in place of, a potential transmission project selected for RCAP due to the delay in its development or abandonment of the project. In this regard, the transmission developer shall promptly notify the Transmission Owner should any material changes or delays be encountered in the development of the potential transmission project. If, due to such delay or abandonment, the Transmission Owner determines that a project selected in the regional plan for RCAP no longer adequately addresses underlying transmission needs and/or no longer remains more efficient and cost effective, then the Transmission Owner may remove the project from being selected in the regional plan for RCAP and proceed with reevaluating the regional transmission plan to seek appropriate solution(s). If removed from being selected in the regional plan for RCAP due to delay or abandonment by the transmission developer, then the transmission developer shall be responsible for any increased costs to the Impacted Utilities due to any such delay or abandonment.
- 30. Milestones of Required Steps Necessary to Maintain Status as Being Selected for RCAP:** Once selected in a regional plan for RCAP, the transmission developer must submit a development schedule to the Transmission Owner and the Impacted Utilities that establishes the milestones, including (to the extent not already accomplished) obtaining all necessary ROWs and requisite environmental, state, and other governmental approvals and executing a mutually-agreed upon contract(s) with the Beneficiaries, by which the necessary steps to develop and construct the transmission project must occur. The schedule and milestones must be satisfactory to the Transmission Owner and the Impacted Utilities. In addition, the Transmission Owner and the Impacted Utilities will also determine the security/collateral arrangements for the proposed project and the deadline(s) by which they must be provided.<sup>17</sup> If such critical steps are not met by the specified milestones and then afterwards maintained, then the Transmission Owner may remove the project from the selected category for RCAP.

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<sup>17</sup> Satisfying the minimum, financial criteria specified in Section 23.1.2 alone in order to be eligible propose a project for RCAP will not satisfy this security/collateral requirement.

**31. Mutually Agreed Upon Contract(s) Between the Transmission Developer and the Beneficiaries:** The contract(s) referenced in Section 30 will address terms and conditions associated with the development of the proposed transmission project in a regional plan for RCAP, including:

1. The specific financial terms/specific total amounts to be charged by the transmission developer for the regional transmission project to the Beneficiaries, as agreed to by the parties,
2. The contracting Beneficiary's(ies') allocation of the costs of the aforementioned regional facility,
3. Creditworthiness/project security requirements,
4. Operational control of the regional transmission project,
5. Milestone reporting, including schedule of projected expenditures,
6. Engineering, procurement, construction, maintenance, and operation of the proposed regional transmission project,
7. Emergency restoration and repair responsibilities,
8. Reevaluation of the regional transmission project, and
9. Non-performance or abandonment.

**Appendix 1**

**CONFIDENTIALITY AGREEMENT  
FOR TREATMENT OF CRITICAL ENERGY INFRASTRUCTURE INFORMATION  
AND  
CONFIDENTIAL TRANSMISSION PLANNING INFORMATION**

**THIS STANDARD CONFIDENTIALITY AGREEMENT FOR TREATMENT OF CRITICAL ENERGY INFRASTRUCTURE INFORMATION (“CEII”) AND CONFIDENTIAL TRANSMISSION PLANNING INFORMATION (“Agreement”)** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_ (“Stakeholder”), and Louisville Gas and Electric Company, a public utility corporation organized and existing under the laws of the Commonwealth of Kentucky (“LG&E”), and Kentucky Utilities Company, a public utility corporation organized and existing under the laws of the Commonwealth of Kentucky (“KU”). Collectively, LG&E and KU may be referred to as the “Transmission Owner.” Stakeholder and Transmission Owner each may be referred to as a “Party” or collectively as the “Parties.”

**Recitals**

**WHEREAS**, Transmission Owner operates a Transmission System; and

**WHEREAS**, Stakeholder has been identified as having a legitimate interest in the Transmission Owner’s transmission planning processes, whether by virtue of being a Transmission Customer, Interconnection Customer, Eligible Customer, having a transmission interconnection with the Transmission System, or being part of the Kentucky Public Service Commission;

**WHEREAS**, the Federal Energy Regulatory Commission (“FERC” or “the Commission”) requires that transmission planning is carried out in an open and transparent manner, and that the Transmission Owner develop confidentiality procedures to ensure that information flows freely among the Parties;

**WHEREAS**, Transmission Owner and Stakeholder understand that certain Transmission Planning Information that has been designated as commercially sensitive Confidential Information, as defined in the Tariff, or Critical Energy Infrastructure Information, as defined in 18 CFR § 388.113(c)(1), and its disclosure should be governed by a confidentiality agreement; and

**WHEREAS**, Stakeholder and Transmission Owner have agreed to enter into this Agreement for the purpose of protecting the disclosure of Confidential Transmission Planning Information.

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein, it is agreed:

## **Article 1: Purpose**

This Agreement shall govern access to Confidential Transmission Planning Information and Critical Energy Infrastructure Information conveyed to the Stakeholder by the Transmission Owner or the Independent Transmission Organization (“ITO”) in relation to transmission planning for the Transmission System.

Unless otherwise agreed, the obligations of confidentiality and non-use set forth in this Agreement do not apply to such Transmission Planning Information that:

- (A) Was, at the time of receipt, already known to the Stakeholder, free of any obligation to keep it confidential, as evidenced by written records prepared prior to delivery by the Transmission Owner or ITO;
- (B) Is or becomes publicly known through no wrongful act of the Stakeholder;
- (C) Is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to the Transmission Owner with respect to such information;
- (D) Is independently developed by an employee, agent, or contractor of the Stakeholder; or
- (E) Is required to be made public by the Stakeholder pursuant to Article 12 of this Agreement.

## **Article 2: Definitions**

Unless otherwise defined in Article 2 of this Agreement, capitalized terms shall have the meanings specified in the Transmission Owner’s OATT.

**2.1 Transmission Planning Information.** The term “Transmission Planning Information” means the information used by the Transmission Owner or ITO in the process of transmission planning. Transmission Planning Information includes Confidential Transmission Planning Information, as well as information that may be publicly available.

**2.2 Confidential Transmission Planning Information.** The term “Confidential Transmission Planning Information” means the annual Transmission Expansion Plan, data used by the Transmission Owner or ITO in the process of transmission planning, the status of transmission expansion projects, or any other information provided to the Stakeholder with regard to transmission planning on the Transmission Owner’s Transmission System that is designated as “Confidential.”

**2.3 Critical Energy Infrastructure Information.** The term “Critical Energy Infrastructure Information” means only the annual Transmission Expansion Plan, data used by the Transmission Owner or ITO in the process of transmission planning, the status of transmission expansion projects, or any other information provided to the Stakeholder with regard to transmission planning on the Transmission Owner’s Transmission System that is designated as “Critical Energy Infrastructure Information.”

**2.4 Notes.** The term “Notes” means memoranda, handwritten notes, or any other form of information (including electronic form) that copies or discloses Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information. Notes are subject to the same restrictions provided for in this Agreement for Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information.

### **Article 3: Term and Termination**

**3.1 Term.** The term of this agreement shall commence immediately upon the signature of an officer of the Stakeholder and shall remain in effect for a period of five (5) years unless terminated sooner, with or without cause, by either Party in writing. The confidentiality and non-disclosure obligations of this Agreement shall survive this Agreement for a period of three (3) years after termination.

**3.2 Termination.** Stakeholder may terminate this Agreement at any time upon written notice of the intent to terminate, at which time Stakeholder shall be prohibited from further receipt of Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information.

3.2.1 Termination does not excuse the Stakeholder or any of its employees, experts, agents or representatives receiving such information from maintaining the confidentiality of any Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information received prior to termination and preventing disclosure of that Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information, under the terms of this Agreement, for the term of this Agreement specified in Article 3.1.

3.2.2 Stakeholder and/or its employees, experts, agents or representatives shall destroy or return all Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information to the Transmission Owner immediately upon termination of this Agreement.

### **Article 4: Use of Confidential Transmission Planning Information Infrastructure Information and/or Critical Energy Infrastructure Information**

All persons who may be entitled to review, or who are afforded access to Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information and by reason of this Agreement shall only use the Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information for the Stakeholder’s internal purposes, including its participation in the Transmission Owner’s transmission planning process, and not for the benefit or business purposes of any third party and in accordance with the purposes and intent of this Agreement.

Where references to Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information is required in studies, memorandum, reports, or other documents, internal or external, such references shall be by citation to the data as a whole,

without reference to specific third party information and shall not disclose the substantive Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information contained therein.

Nothing herein shall require or obligate the Transmission Owner to release or provide access to potential CEII, critical assets or critical cyber assets-related information in a manner inconsistent with applicable law, regulation, mandatory reliability standards or prudent utility practice, as determined in the discretion of the Transmission Owner, reasonably applied.

#### **Article 5: Nondisclosure**

Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information shall not be disclosed to any person who is not identified in the List of Authorized Recipients, which is attached hereto as Exhibit “A” and incorporated herein.

Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information, including any Notes or studies produced on behalf of the Stakeholder by its employees, experts, agents or representatives, shall be treated as confidential by each Party, and shall not be disclosed in any manner to any person except another employee, expert, agent or representative who is authorized to receive the information in accordance with this Agreement.

#### **Article 6: Compliance and Protection of Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information**

Stakeholder represents and warrants that it has practices and procedures adequate to protect against the unauthorized release of the Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information received. Stakeholder must educate its employees, experts, agents, or representatives in the provisions of this Agreement and provide to the Transmission Owner upon request any information necessary to determine compliance with the terms of this Agreement.

#### **Article 7: Persons Entitled to Review**

**7.1 Qualifications.** Access to Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information shall be limited to those employees, experts, agents or representatives necessary to participate in the Transmission Owner’s transmission planning process, including those who perform an analysis of the Transmission Owner’s transmission planning.

In the event that any employee, expert, agent or representative to whom the Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information has been disclosed ceases to be affiliated with the Stakeholder, or is employed or retained for a position that would disqualify that individual pursuant to this Article, the Stakeholder shall terminate that individual’s access to Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information and either destroy all Notes prepared by that employee, expert, agent or representative or return those Notes to the Transmission Owner. The employee, expert, agent

or representative shall fulfill their obligations under this Agreement for the remainder of the term of the Agreement as defined in Article 3.

**7.2 Designation of Employees, Experts, Agents or Representatives.** Concurrent with the execution of this Agreement, Stakeholder shall designate the employees, experts, agents or representatives to receive the Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information by providing the completed List of Authorized Recipients, attached hereto as Exhibit A. Stakeholder shall provide to the Transmission Owner and the ITO the name, position/title, business address, phone number, email address, and primary responsibilities for each designated employee, expert, agent or representative. Stakeholder may submit requests for approval of additional employees, experts, agents or representatives to receive Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information to the Transmission Owner and ITO as required. Exhibit A shall be updated (including, and especially reflecting, the deletions of names of individuals no longer employed by the company, or that no longer require or qualify to have access to the Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information) and resubmitted to the Transmission Owner promptly to reflect the current and accurate listing of those individuals within the company that have been designated by the Stakeholder and approved by the Transmission Owner.

**7.3 Approval.** Transmission Owner must approve the disclosure of Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information to each designated employee, expert, agent or representative of the Stakeholder, such approval not to be unreasonably withheld. Stakeholder shall not disclose Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information to any additional employees, experts, agents or representatives of Stakeholder, unless and until Transmission Owner approves the disclosure and the designated employee, expert, agent or representative is identified on the List of Authorized Recipients.

**7.4 Internal Disclosure.** An employee, expert, agent or representative may disclose Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information to another employee, expert, agent or representative as long as the disclosing employee, expert, agent or representative and the receiving employee, expert, agent or representative are both identified on the List of Authorized Recipients.

## **Article 8: Treatment of Confidential Material**

Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information shall be clearly marked and protected from unauthorized public disclosure and disclosure to unauthorized employees, experts, agents or representatives of the Stakeholder.

## **Article 9: Copies**

No copies or transcriptions of the Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information shall be made by the Stakeholder except as necessary to make the information available to authorized individuals.

**Article 10: Return of Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information**

**10.1 General.** Upon request of Transmission Owner, all original documents and copies of the Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information shall be: 1) returned to Transmission Owner, or 2) destroyed by the holder of such documents.

**10.2 Return of Notes.** Any Notes maintained by a recipient of Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information which embody or reflect any of the Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information provided under this Agreement shall, upon request of Transmission Owner, be either returned to Transmission Owner or, at the option of the recipient, destroyed.

**Article 11: Accuracy of Information**

Stakeholder acknowledges that neither Transmission Owner, nor any of Transmission Owner's agents, employees, or other representatives (including but not limited to the ITO or the Reliability Coordinator), are making any representation or warranty as to the accuracy or completeness of any information furnished to Stakeholder. Neither Transmission Owner nor any of its officers, directors, employees, agents or controlling persons (including, without limitation, parent and subsidiary companies) shall have any liability to Stakeholder, or to any of Stakeholder's agents or other representatives, or any other person, relating to or arising from the use of information provided to Stakeholder by Transmission Owner.

**Article 12: Compelled Disclosure.**

In the event that Stakeholder becomes legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process, or applicable law or regulation) to disclose any Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information, the Stakeholder shall give the Transmission Owner prompt written notice of such requirement prior to releasing such information so that the Transmission Owner may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Agreement. The Stakeholder shall cooperate with the Transmission Owner to obtain a protective order. In the event that such protective order or other remedy is not obtained, or that the Transmission Owner waives compliance with the terms hereof, the Stakeholder agrees to provide only that limited portion of the Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information that it is advised by written opinion of counsel is legally required and to exercise best efforts to obtain assurance that confidential treatment will be accorded such information. Upon request of the Transmission Owner, the Stakeholder shall provide such opinion of counsel to the Transmission Owner. Disclosure of Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information by the Transmission Owner to regulatory bodies having jurisdiction over the Transmission Owner will not terminate the confidentiality of the Confidential Transmission Planning Information and/or



Critical Energy Infrastructure Information, provided that the Transmission Owner submits the Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information under an appropriate protective order or agreement.

**Article 13: Remedies**

Each Party acknowledges that any disclosure or misappropriation of Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information by the Stakeholder in violation of this Agreement could cause the Transmission Owner irreparable harm, the amount of which may be extremely difficult to estimate, thus making any remedy at law or in damages inadequate. Therefore, the Stakeholder agrees that the Transmission Owner shall have the right to apply to any court of competent jurisdiction for a restraining order or an injunction restraining or enjoining any breach or threatened breach of this Agreement and for any other equitable relief that the Transmission Owner deems appropriate. This right shall be in addition to any other remedy available to the Parties in law or equity. Stakeholder shall be liable for and shall pay Transmission Owner for any court costs and reasonable attorney’s fees incurred in obtaining this and any other remedy under this Agreement.

**Article 14: Indemnification**

Stakeholder shall indemnify Transmission Owner for any liability to third-parties resulting from the unauthorized disclosure of the Confidential Transmission Planning Information and/or Critical Energy Infrastructure Information subject to this Agreement by Stakeholder or Stakeholder’s employees, experts, agents or representatives to any individual that is not authorized under this Agreement to receive the information. Stakeholder’s indemnification of Transmission Owner includes compensation to Transmission Owner for all of Transmission Owner’s attorney’s fees.

**Article 15: Contact Information**

Stakeholder shall send its executed Confidentiality Agreement, including Exhibit A and any amended Exhibit A, and all correspondence related to this Confidentiality Agreement to:

LG&E/KU  
Attn: \_\_\_\_\_  
220 West Main Street  
Louisville, KY

The Transmission Owner may, upon notice to Stakeholder, update its contact information at any time during this Agreement.

**Article 16: Assignment**

This Agreement may only be assigned by a Party with the written consent of the non-assigning Party, which consent shall be at the sole discretion of the non-assigning Party.

**Article 17: Amendments**

No amendment, modification, and/or discharge of this Agreement, other than that identified in Article 15, shall be valid or binding on the Parties unless made in writing and signed on behalf of each of the Parties by their respective duly authorized officers or representatives.

**Article 18: Miscellaneous Provisions**

- 18.1 Nothing contained in this Agreement shall require either Party, or the Parties collectively, to commence, continue, or conclude discussions or negotiations or require the execution of any documents or agreements, which action or inaction shall be at the sole discretion of each Party, respectively.
- 18.2 No Party shall issue any press release or make any public statement of any kind that discussions or negotiations are taking place concerning or related to this Agreement without the prior written consent of the other Party, which consent shall be at the sole discretion of said other Party.
- 18.3 This Agreement constitutes the entire understanding and agreement between the Parties hereto with respect to the subject matter hereof and supersedes all previous communications, representations, and understandings, both oral and written, between the Parties with respect to the subject matter of this Agreement.
- 18.4 Nothing herein shall constitute, or be interpreted as creating or constituting any partnership, joint venture or agency relationship between the Parties.
- 18.5 The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the Commonwealth of Kentucky.
- 18.6 If any provision in this Agreement is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement.
- 18.7 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty

DRAFT – FOR DISCUSSION PURPOSES ONLY

of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing.

18.8 The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

ACCEPTED AND AGREED TO BY:

**Stakeholder** By:

**Transmission Owner** By:

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

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

**EXHIBIT A**

**List of Authorized Recipients**

Stakeholder ( \_\_\_\_\_ ), its employees, experts, agents, representatives, subject to the Confidentiality Agreement, as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_:

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Business Address: \_\_\_\_\_  
Email Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Primary Responsibilities: \_\_\_\_\_

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Business Address: \_\_\_\_\_  
Email Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Primary Responsibilities: \_\_\_\_\_

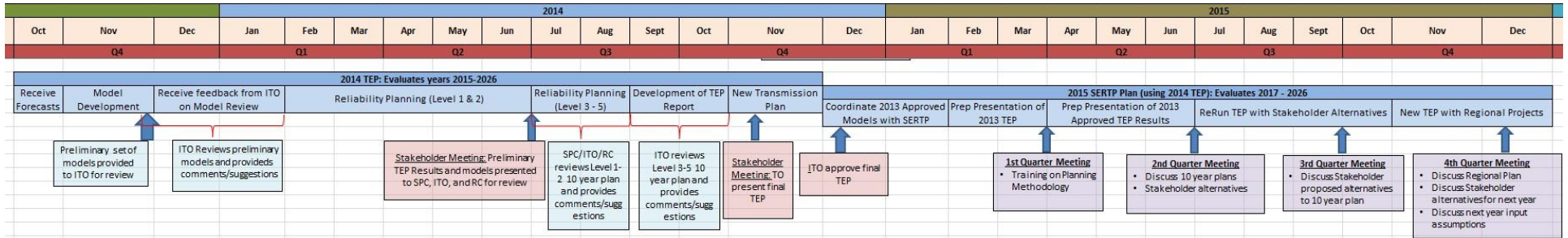
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Business Address: \_\_\_\_\_  
Email Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Primary Responsibilities: \_\_\_\_\_

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Business Address: \_\_\_\_\_  
Email Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Primary Responsibilities: \_\_\_\_\_

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Business Address: \_\_\_\_\_  
Email Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Primary Responsibilities: \_\_\_\_\_

(Attach Additional Pages If Necessary)

## Appendix 2



**Appendix 3**

Transmission System Planning Guidelines

As of June 24, 2009, the current version of the Transmission System Planning Guidelines,  
is available at:

<http://www.oatiaoasis.com/LGEE/index.html>

## **Appendix 4 - SIRPP**

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

#### **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 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 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 principles 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



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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 three inter-regional stakeholder meetings. The information to be discussed at such meetings will be made available in final draft form for stakeholder review prior to any such meeting by posting on the SIRPP website and/or e-mails to SIRPP Stakeholder Group (“SIRPPSG”) members. The Participating Transmission Owners will use reasonable efforts to make such information available at least 10 calendar days prior to the particular meeting. 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 in accordance with the cost allocation principle adopted by each Participating Transmission Owner's Regional Planning Process in which each portion of the construction of such upgrades would occur. The cost allocation principle for each SIRPP Regional Planning Process is posted on the SIRPP website. Typically, since Inter-Regional Economic Upgrade projects will likely consist of improvements that will be physically located in the footprints of multiple Regional Planning Processes, this approach means the cost allocation for each part of the Inter-Regional Economic Upgrade project or each project within a set of projects will be governed by the cost allocation principle adopted by the Regional Planning Process in which that part of the project or

set is physically located. For example, should an Inter-Regional Economic Upgrade project consist of a single, 100 mile 500 kV transmission line, with 30 miles physically located in Regional Planning Process “A” and the remaining 70 miles located in Regional Planning Process “B,” then the cost allocation for the 30 miles of 500 kV transmission line located in Regional Planning Process “A” would be governed by that Regional Planning Process’ cost allocation principle, and the cost allocation for the other 70 miles of 500 kV transmission line would be governed by the cost allocation principle of Regional Planning Process “B.” Should an Inter-Regional Economic Upgrade project be physically located entirely within one Regional Transmission Planning process, the costs of the project would be governed by that region’s cost allocation principle.

### **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 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. The SIRPPSG should consider clustering similar Economic Planning Study requests. In this regard, if two or more of the Economic Planning Study requests are similar in nature and the Participating Transmission Owners conclude that clustering of such requests and studies is appropriate, the Participating Transmission Owners may, following communications with the SIRPPSG, cluster those studies for purposes of the transmission evaluation.

5. 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.

6. Providing advice and recommendations to the Participating Transmission Owners on the Southeast Inter-Regional Participation Process.

***Membership***

The SIRPPSG membership is open to any interested party.

***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**

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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 interested party.

### **Quorum**

Since SIRPPSG membership is open to all interested parties, 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 (either physically present or participating via phone). 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.

#### **CEII Data and Information**

SIRPPSG members may be certified to obtain CEII data used in the SIRPP by following the confidentiality procedures posted on the SIRPP website (*e.g.*, making a formal request for CEII, authorizing background checks, executing the SIRPP CEII Confidentiality Agreement, etc.). The SIRPP Participating Transmission Owners reserve the discretionary right to waive the certification process, in whole or in part, for anyone that the SIRPP Participating Transmission Owners deem appropriate to receive CEII. The SIRPP Participating Transmission Owners also reserve the discretionary right to reject a request for CEII; upon such rejection, the requestor may pursue the SIRPP dispute resolution procedures set forth below.

#### **Non-CEII Confidential Information**

The Participating Transmission Owners will make reasonable efforts to preserve the confidentiality of information that is confidential but not CEII in accordance with the provisions of the Tariff and the requirements of (and/or agreements with) NERC and/or SERC, as well as any agreements with the other Participating Transmission Owners and any other contractual or legal confidentiality requirements.

Without limiting the applicability of the foregoing, to the extent confidential non-CEII information is provided in the transmission planning process and is needed to participate in the transmission planning process and/or to replicate transmission planning studies, it will be made available to those SIRPPSG members who have executed the SIRPP non-CEII Confidentiality Agreement, which is posted on the SIRPP website. Importantly, if information should prove to contain both confidential non-CEII information and CEII, then the requirements of both this section and the previous section would apply.

### ***Dispute Resolution***

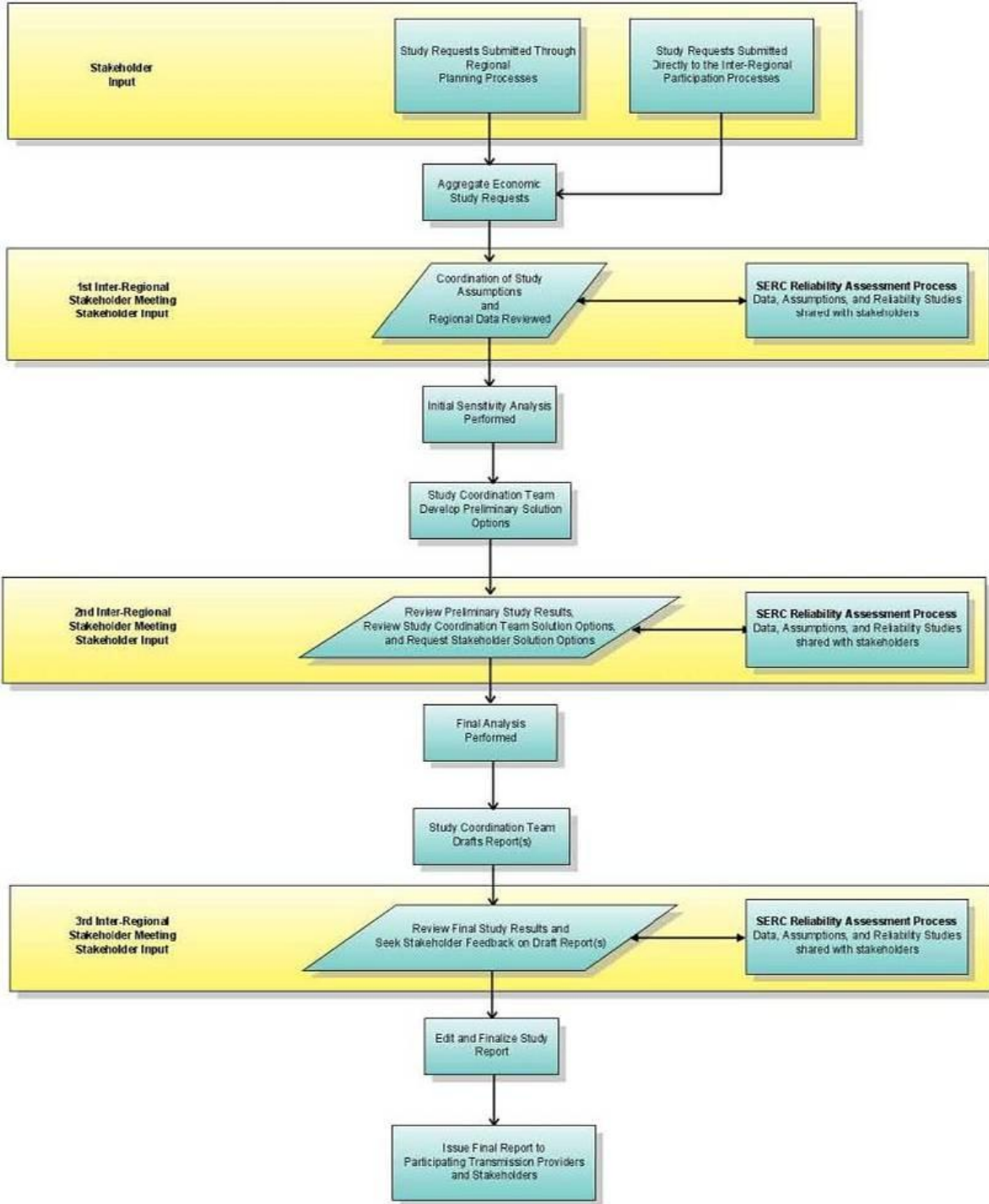
Any procedural or substantive dispute between a stakeholder and a Participating Transmission Owner that arises from the SIRPP will be addressed by the Participating Transmission Owner's dispute resolution procedures in its respective Regional Planning Process. In addition, should the dispute only be between stakeholders with no Participating Transmission Owner involved (other than its ownership and/or control of the underlying facilities), the stakeholders will be encouraged to utilize the Commission's alternative means of dispute resolution.

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Should dispute resolution proceedings be commenced in multiple Regional Planning Processes involving a single dispute among multiple Participating Transmission Owners, the affected Participating Transmission Owners, in consultation with the affected stakeholders, agree to use reasonable efforts to consolidate the resolution of the dispute such that it will be resolved by the dispute resolution procedures of a single Regional Planning Process in a single proceeding. If such a consensus is reached, the Participating Transmission Owners agree that the dispute will be addressed by the dispute resolution procedures of the selected Regional Transmission Planning Process.

Nothing herein shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

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





**Appendix 5 – Local Economic Planning Study Agreement**

Name of Project:  
Reservation (if any):  
Date Request sent to Transmission Owner:

Entity making request:		
Responsible party marking request:		
Phone:	Fax:	Email:
Nature of Request:		
Service Type:	Firm:	
POR:	POD:	
SOURCE:	SINK:	
Transaction Period:		

Pursuant to Attachment K of the LG&E/KU Open Access Transmission Tariff, any stakeholder may request that the Transmission Owner perform or cause to be performed (by the Transmission Owner or a third party) a local economic planning study. This Agreement shall be signed and returned to the Transmission Owner within **15 days** in order for the local economic planning study request to remain valid.

1. The performance of a local economic planning study is for evaluation purposes only. The Transmission Owner is under no obligation to build any network additions or upgrades identified by a local economic planning study.
2. The local economic planning study will analyze the request based on the existing state of the system, as comprised by the base case and the Transmission Expansion Plan (as approved by the ITO) for the year in which the study request is made. The Transmission Owner shall perform the local economic planning study requested herein to the extent it has the data necessary to do so. The Transmission Owner may solicit the requesting stakeholder(s) or the Transmission Owner’s Load Serving Entity for additional information and data necessary to perform the requested local economic planning study, but only to the extent that such data is publicly available.
3. The local economic planning study shall be completed within \_\_\_ days of return of this signed Agreement. In the event the local economic planning study is not completed within \_\_\_ days, the requesting stakeholder will be notified of the estimated completion date and provided an explanation of the delay.
4. The requesting entity shall pay the Transmission Owner a fee of \$\_\_\_\_\_ (\_\_\_\_\_ dollars), which must be paid before the local economic planning study can commence.

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I agree to the terms and conditions of this Local Economic Planning Study Agreement and authorize the Transmission Owner to proceed with the Local Economic Planning Study.

(Signature and Title)

(Date)

Accepted by the Transmission Owner:

(Signature and Title)

(Date)

This Local Economic Planning Study Agreement should be returned executed via fax for time-stamp to Transmission Owner at [\_\_\_\_\_]. An executed hard copy should also be mailed to:

\_\_\_\_\_  
\_\_\_\_\_

Exhibit K-3

