

**TRANSMISSION PLANNING AND COST ALLOCATION REQUIREMENTS OF  
ORDER NO. 1000**

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

**10.1 Procedures for the Consideration of Transmission Needs Driven by**

**Public Policy Requirements:** The Transmission Provider addresses

~~transmission needs~~Transmission Needs driven by enacted state ~~and~~, federal ~~and local~~ 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 Needs” are defined herein as the Transmission Provider’s physical transmission capacity requirements that it must fulfill on a reliable basis to satisfy long-term (i.e., one year or more) firm transmission commitment(s). Such commitments consist of Transmission Customers’ long-term Service Agreements under the Tariff and the firm transmission capacity required to serve the long-term needs of Native Load Customers. The Transmission Provider addresses ~~transmission needs~~Transmission Needs driven by the Public Policy Requirements of load serving entities and wholesale transmission customers through the planning for and ~~provision of~~expansion of physical transmission system delivery capacity to provide long-term firm transmission services to meet i) native load obligations and ii) wholesale Transmission Customer obligations under the Tariff.

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

**10.2.1 Requisite Information:** In order for the Transmission Provider to consider ~~transmission needs~~possible Transmission Needs driven by Public Policy Requirements that are proposed by a Stakeholder, the Stakeholder must provide the following information ~~via a submittal~~ in accordance with the directions provided on the Regional Planning Website:

1. The applicable Public Policy Requirement, which must be a requirement established by an enacted state ~~or~~, federal, or local law(s) and/or regulation(s); and
2. An explanation of the possible ~~transmission need~~ Transmission Need(s) 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.~~

**10.2.2 Deadline for Providing Such Information:** Stakeholders that propose a ~~transmission need~~possible Transmission Need driven by a Public Policy Requirement for evaluation by the Transmission Provider in the current transmission planning cycle must provide the requisite information identified in Section 10.2.1 to the Transmission Provider 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.

**10.3 Transmission Provider Evaluation of SERTP Stakeholder Input Regarding ~~Potential~~Possible Transmission Needs Driven by Public Policy Requirements**

**10.3.1 ~~In the transmission planning process for that~~Identification of Public**

**Policy-Driven Transmission Needs:** In order to identify, out of the set of possible Transmission Needs driven by Public Policy Requirements proposed by Stakeholders, those Transmission Needs for which transmission solutions will be evaluated in the current planning cycle, the Transmission Provider will ~~evaluate Stakeholder input to determine if there is a transmission need driven by the Public Policy Requirement identified by the Stakeholder in Section 10.2 that should be addressed in the transmission expansion plan.~~ assess:

- 1) Whether the Stakeholder-identified Public Policy Requirement is an enacted local, state, or federal law(s) and/or regulation(s);
- 2) Whether the Stakeholder-identified Public Policy Requirement drives a Transmission Need(s); and
- 3) If the answers to the foregoing questions 1) and 2) are affirmative, whether the potential Transmission Need(s) driven by the Public Policy Requirement is already addressed or otherwise being evaluated in the then-current planning cycle.

**10.3.2 ~~If a transmission need~~Identification and Evaluation of Possible**

**Transmission Solutions for Publicly Policy-Driven Transmission Needs that Have Not Already Been Addressed: If**

a Public Policy-driven Transmission Need is identified that is not already addressed, or that is not already being evaluated in the transmission expansion planning process, the Transmission Provider will identify a transmission solution to address the aforementioned need in the planning processes. The potential transmission solutions will be evaluated consistent with Section 3.5.3(4) and Section 11.

**10.4 Stakeholder Input During the Evaluation of Public Policy-Driven Transmission Needs and Possible Transmission Solutions:**

**10.4.1** Typically at the First RPSG Meeting and Interactive Training Session, but not later than the Preliminary Expansion Plan Meeting, for the given transmission planning cycle, the Transmission Provider will review the Stakeholder-proposed Transmission Needs driven by Public Policy Requirements to be evaluated in the then-current planning cycle. Prior to the meeting at which Transmission Needs driven by Public Policy Requirements will be reviewed, the Transmission Provider will identify, on the Regional Planning Website, which possible Transmission Needs driven by Public Policy Requirements proposed by Stakeholders (if any) are Transmission Needs(s) that are not already addressed in the planning process and will, pursuant to Sections 10.3.1 and 10.3.2, be addressed in the current planning cycle.

**10.4.2** Stakeholders, including those who are not Transmission Customers, may provide input regarding Stakeholder-proposed possible Transmission Need(s) and may provide transmission project alternatives to address Transmission Need(s) driven by a Public Policy Requirement –in accordance with Section 3.5.3(3) or may propose a transmission project for potential selection in the regional transmission plan for RCAP to address such Transmission Need(s) in accordance with Section 16.

~~10.3.3~~**10.4.3** Stakeholder input regarding ~~potential—transmission needs~~possible Transmission Needs driven by Public Policy Requirements may be directed to the governing Tariff process as appropriate. For example, if the ~~potential-transmission-need~~possible 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.

**10.4.10.5** **Posting Requirement:** The Transmission Provider will provide and post on the Regional Planning Website ~~a response to Stakeholder input regarding transmission needs~~an explanation of (1) those Transmission Needs driven by Public Policy Requirements that have been identified for evaluation for potential transmission projects in the regional transmission planning process; and (2) why other suggested, possible Transmission Needs driven by Public Policy Requirements proposed by Stakeholders were not selected for further evaluation.

**11. Regional Analyses of Potentially More Efficient or Cost Effective Transmission Solutions**

**11.1 Regional Planning Process:** During the course of each transmission planning cycle, the Transmission Provider will conduct regional transmission analyses to assess if the then-current regional transmission plan addresses the Transmission Provider's Transmission Needs, including those of its Transmission Customers and those which may be driven, in whole or in part, by economic considerations or public policy requirements. This regional analysis will include assessing whether there may be more efficient or cost effective transmission projects to address Transmission Needs than transmission projects included in the latest regional transmission plan (including projects selected for RCAP pursuant to Section 17).

**11.2 Regional Analyses:** The Transmission Provider will perform power flow, dynamic, and short circuit analyses, as necessary, to assess whether the then-current regional transmission plan would provide for the physical transmission delivery capacity required to address the Transmission Provider's Transmission Needs, including those Transmission Needs of its Transmission Customers and those driven by economic considerations and Public Policy Requirements (thereby encompassing resource-related decisions that drive Transmission Needs). Such analysis will also evaluate those potential Transmission Needs driven by Public Policy Requirements identified by Stakeholders pursuant to 10.3.1. If the regional analyses

determine that the on-going planning being performed for the then-current cycle would not provide sufficient physical transmission capacity to address a Transmission Need(s), the Transmission Provider will identify potential transmission projects to address the Transmission Need(s).

### **11.3 Identification and Evaluation of More Efficient or Cost Effective**

#### **Transmission Project Alternatives:**

**11.3.1** The Transmission Provider will look for potential regional transmission projects that may be more efficient or cost effective solutions to address Transmission Needs than transmission projects included in the then-current regional transmission plan for the ten (10) year planning horizon. Consistent with Section 11.2, through power flow, dynamic, and short circuit analyses, as necessary, the Transmission Provider will evaluate regional transmission projects identified to be potentially more efficient or cost effective solutions to address Transmission Needs, including transmission alternatives proposed by Stakeholders pursuant to Section 3.5.3(3) and transmission projects proposed for RCAP pursuant to Section 16. The evaluation of transmission projects in these regional assessments throughout the then-current planning cycle will be based upon their effectiveness in addressing Transmission Needs, including those driven by Public Policy Requirements, reliability and/or economic considerations. Such analysis will be in accordance with, and subject to (among other things), state law

pertaining to transmission ownership, siting, and construction. In assessing whether transmission alternatives are more efficient and/or cost effective transmission solutions, the Transmission Provider may consider factors such as, but not limited to, a transmission project's:

- Impact on reliability.
- Feasibility, including the viability of:
  - acquiring the necessary rights-of-way (“ROW”); and
  - constructing and tying in the proposed project by the required in-service date.
- Relative transmission cost, as compared to other transmission project alternatives to reliably address Transmission Needs.
- Ability to reduce real power transmission losses on the transmission system within the SERTP region, as compared to other transmission project alternatives.

**11.4 Stakeholder Input:** Stakeholders may provide input on potential transmission alternatives for the Transmission Provider to consider throughout the SERTP planning process for each planning cycle in accordance with Section 3.5.3.

**12. Merchant Transmission Developers Proposing Transmission Facilities**

**Impacting the SERTP:** Merchant transmission developers not seeking regional cost allocation pursuant to Sections ~~15~~16-21 (“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

Provider 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.

## **12.13. Enrollment**

### **12.13.1**

#### **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~~who is registered with NERC as a Transmission Owner or a Transmission Service Provider and that owns or provides transmission service over 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 that do not enroll will nevertheless be permitted to participate as stakeholders in the SERTP.

### **12.13.2**

#### **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 in a regional transmission plan for ~~regional cost allocation purposes (“RCAP”)~~ pursuant to Sections ~~15~~16-21, a potential transmission developer must enroll in the SERTP in order to be eligible to propose a transmission project for potential selection in a

regional transmission plan for RCAP if it, an affiliate, subsidiary, member, owner or parent company has load in the SERTP.

~~12.3 Means to Enroll: A public utility or non-public utility transmission service provider or transmission owners~~  
**13.3 Means to Enroll: Entities that satisfy the general eligibility requirements of 13.1 or are required to enroll in accordance with Section 13.2** may provide an application to enroll ~~in accordance with Sections 12.1 and 12.2 above, by executing, by submitting~~ the form of enrollment posted on the Regional Planning Website. ~~The Transmission Provider is deemed to have enrolled for purposes of Order No. 1000 through this Attachment K.~~

**12.413.4** **List of Enrollees in the SERTP:** The Transmission Provider will post and keep current on the Regional Planning Website a list of the ~~public utility and non-public utility transmission service providers and transmission owners~~entities who have enrolled in the SERTP ~~(“Enrollees”)- in accordance with the foregoing provisions (“Enrollees”).~~  
~~The list of Enrollees found in Exhibit K-\_\_ is as of the effective date of the tariff record (and subject to Section 13.5, below) that contains Exhibit K-\_\_ . In the event a non-public utility listed in Attachment K-\_\_ provides the Transmission Provider with notice that it chooses not to enroll in, or is withdrawing from, the SERTP pursuant to Section 13.5 or Section 13.6, as applicable, such action shall be effective as of the date prescribed in accordance with that respective Section. In such an event, the Transmission Provider shall file revisions to the lists of Enrollees in Exhibit K-\_\_ within~~

fifteen business days of such notice. The effective date of any such revised tariff record shall be the effective date of the non-public utility's election to not enroll or to withdraw as provided in Section 13.5 or 13.6, as applicable.

**12.513.5**                    **Enrollment, Cost Allocation Responsibility, Conditions**

**Precedent, and Conditions Subsequent:** 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 that, once enrolled subject to the~~ following:

**13.5.1 Upon Order on Compliance Filing:** The initial non-public utilities that satisfy the general eligibility requirements of 13.1 and who have made the decision to enroll at the time of the Transmission Provider's compliance filing in response to FERC's July 18, 2013 Order on Compliance Filings in Docket Nos. ER13-897, ER13-908, and ER13-913, 1444 FERC ¶ 61,054, 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 such compliance filing or in any way otherwise modify, alter, or impose amendments to this Attachment K, then each such non-public utility shall be under no obligation to enroll in the SERTP and shall have sixty (60) days following that order or

action to provide written notice to the Transmission Provider of whether it will, in fact, enroll in the SERTP. If, in that event, such non-public utility gives notice to the Transmission Provider that it will not enroll, such non-public utility shall not be subject to cost allocation under this Attachment K (unless it enrolls at a later date).

**13.5.2 Upon Future Regulatory Action:** Notwithstanding anything herein to the contrary, with respect to any non-public utility that chooses to enroll after the condition precedent in Section 13.5.1 is satisfied (or that does not provide notice that it shall not enroll within the sixty (60) day timeframe provided in Section 13.5.1 if the condition precedent in Section 13.5.1 is not satisfied), 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 sixty (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~~In that event, 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 and was determined to be a beneficiary of new transmission facilities

selected in the regional transmission plan for RCAP.—~~Any withdrawing Enrollee will not be allocated costs for projects selected in a regional transmission plan for RCAP after its termination of enrollment becomes effective in accordance with the provisions of this Section 12.5.~~

**12.613.6**

**Notification of Withdrawal:**

An Enrollee ~~wanting~~choosing to ~~terminate~~withdraw its enrollment in the SERTP may do so by providing written notification of such intent to the Transmission Provider. Except for non-public utilities ~~terminating pursuant to Section 12.5 above, the termination will~~electing to not enroll or withdraw pursuant to Section 13.5, a non-public utility Enrollee’s withdrawal shall be effective as of the date the notice of withdrawal is provided to the Transmission Provider pursuant to this Section 13.6. For public utility Enrollees, the withdrawal shall be effective at the end of the then-current transmission planning cycle provided that the notification of withdrawal is provided to the Transmission Provider at least sixty (60) days prior to the Annual Transmission Planning Summit and Assumptions Input Meeting for that transmission planning cycle. ~~The~~

**13.7 Cost Allocation After Withdrawal: Any withdrawing Enrollee will not be**

allocated costs for projects selected in a regional transmission plan for RCAP after its termination of enrollment becomes effective in accordance with the provisions of Section 13.5 or Section 13.6. However, the withdrawing Enrollee will be subject to regional and interregional cost allocations, if any, ~~to~~for which ~~it had agreed and~~

~~that werethe Enrollee was determined during the period it was enrolled, and in accordance with this Attachment K during the period in which it was enrolled and was determined, to be 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 selected in a regional transmission plan for RCAP after its termination of enrollment becomes effective in accordance with the provisions of this Section 12.6. RCAP.~~

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

**13.14.1 Transmission Developer Pre-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>~~

~~13.1.1 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 12.2.~~

~~13.1.2 In order to be eligible to propose a transmission project for consideration for selection in a regional transmission plan for RCAP, in the~~

upcoming planning cycle, a transmission developer (including the Transmission Provider and non-incumbents) or an entity proposing to create a new subsidiary to be the transmission developer must demonstrate that it satisfies the following, submit a pre-qualification application by August 1<sup>st</sup> of the then-current planning cycle.<sup>1</sup> To demonstrate that the transmission developer will be able to satisfy the minimum financial capability and technical expertise requirements, the pre-qualification application must contain and/or establish, as applicable, the following:

1. A non-refundable administrative fee of \$25,000 to off-set the cost to review, process, and evaluate the transmission developer's pre-qualification application;
2. Demonstration that at least one of the following criteria is satisfied:

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 A. The transmission developer must have and maintain a Credit Rating (defined below) of BBB- or better from Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial ("S&P"), a Credit Rating of Baa3 or better from Moody's Investors Service, Inc. ("Moody's"), and/or a Credit Rating of BBB- or better from Fitch Ratings, Inc. ("Fitch", collectively with S&P and Moody's and/or their successors, the "Rating Agencies") and not have or obtain less than any such Credit Rating by S&P, Moody's or Fitch. The senior unsecured debt (or similar) rating for the transmission developer from the Rating Agencies will be considered the "Credit Rating". In the event of multiple Credit Ratings from one Rating Agency or Credit Ratings from more than one Rating Agency, the lowest of those Credit Ratings will be used by the Transmission Provider for its analysis. However, if such a senior unsecured debt (or similar) rating is unavailable, the

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<sup>101</sup>The regional cost allocation process provided hereunder in accordance with Sections 13-15-21 does not undermine the ability of the Transmission Provider and other entities to negotiate alternative cost sharing arrangements voluntarily and separately from this regional cost allocation method.

Transmission Provider will consider Rating Agencies' issuer (or similar) ratings as the Credit Rating.<sup>2</sup>

B. The Unrated transmission developer's parent company or the entity that plans to create a new subsidiary that will be the transmission developer (both hereinafter "parent company") must have and maintain a Credit Rating of BBB- or better by S&P, Baa3 or better by Moody's and/or BBB- by Fitch, not have or obtain less than any such Credit Rating by S&P, Moody's or Fitch, and the parent company must commit in writing to provide an acceptable guaranty to the Transmission Provider for the transmission developer if the proposed transmission project is selected in a regional transmission plan for RCAP. If there is more one than one parent company, the parent company(ies) committing to provide the guaranty must meet the requirements set forth herein.

C. If the transmission developer does not have a Credit Rating from S&P, Moody's or Fitch, it shall be considered "Unrated" and, unless its parent company satisfies the requirements under B. above, such transmission developer must have and maintain a Rating Equivalent (defined below) of BBB- or better. Upon an Unrated transmission developer's request, a credit rating will be determined for such unrated developer comparable to a Rating Agency credit rating ("Rating Equivalent").

(i) Each Unrated transmission developer will be required to pay a non-refundable annual fee of \$15,000.00 for its credit to be evaluated/reevaluated on an annual basis.

(ii) Each Unrated transmission developer must submit to the Transmission Provider with respect to itself upon its request for the determination of a Rating Equivalent and not less than annually thereafter:

- A. audited financial statements for each completed fiscal quarter of the then current fiscal year including the most recent fiscal quarter, as well as the most recent three (3) fiscal years, or the period of existence of the transmission developer, if shorter;
  - i. For Unrated transmission developers with publicly-traded stock, this information must include:
    - 1. Annual reports on Form 10-K (or successor form) for the three (3) fiscal years most recently ended and

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<sup>42</sup> If a project is selected in a regional transmission plan for RCAP, having a BBB- and/or a Baa3 rating alone will not be sufficient to satisfy the requisite project security/collateral requirements



(iv) An Unrated transmission developer desiring an explanation of its Rating Equivalent must request such an explanation in writing within five (5) business days of receiving its Rating Equivalent. The Transmission Provider will respond within fifteen (15) business days of receipt of such request with a summary of the analysis supporting the Rating Equivalent decision.

3. The transmission developer must inform the Transmission Provider of the occurrence of any of the developments described in (A) or (B) below should the following apply (and within the prescribed time period): (i) within five (5) business days of the occurrence if the developer has a pre-qualification application pending as of the date of the occurrence; (ii) upon the submission of a renewal request for pre-qualification should the development have occurred since the transmission developer was pre-qualified; (iii) prior to, or as part of, proposing a project for RCAP pursuant to Section 16.1 should the development have occurred since the transmission developer was pre-qualified; and (iv) within five (5) business days of the occurrence if the transmission developer has a transmission project either selected or under consideration for selection in a regional transmission plan for RCAP. These notification requirements are applicable upon the occurrence of any of the following:

~~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 in a regional plan for RCAP;<sup>14</sup>~~

A. the existence of any material new or ongoing investigations against the transmission developer by the Commission, the Securities and Exchange Commission, or any other governing, regulatory, or standards body that has been or was required to be made public; if its parent company has been relied upon to meet the requirements of subsection 2, such information must be provided for the parent company and, in any event, with respect to any affiliate that is a transmitting utility; and

~~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~~

B. any event or occurrence which could constitute a material adverse change in the transmission developer's (and, if the parent company has been relied upon to meet the requirements of subsection 2, the

- parent company's) financial condition ("Material Adverse Change") such as:
- i. A downgrade or suspension of any debt or issuer rating by any Rating Agency,
  - ii. Being placed on a credit watch with negative implications (or similar) by any Rating Agency,
  - iii. A bankruptcy filing or material default or defalcation,
  - iv. Insolvency,
  - v. A quarterly or annual loss or a decline in earnings of twenty-five percent (25%) or more compared to the comparable year-ago period,
  - vi. Restatement of any prior financial statements, or
  - vii. Any government investigation or the filing of a lawsuit that reasonably would be expected to adversely impact any current or future financial results by twenty-five percent (25%) or more.
4. ~~3. The~~Evidence that the transmission developer has the capability to develop, construct, operate, and maintain significant 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~~should provide, at a minimum, the following information about the transmission developer. ~~If the transmission developer is relying on the experience or technical expertise of its parent company or affiliate(s) to meet the requirements of this subsection (4), the following information should be provided about the transmission developer's parent company and its affiliates, as applicable:~~
- ~~a. A summary of the transmission developer's. Information regarding the transmission developer's or its parent's (as applicable) or other relevant experience regarding~~ 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. Evidence demonstrating the ability to address and timely remedy failure of transmission facilities.
  - ~~b. If it or a parent, owner, affiliate, or member has been found in violation~~
  - C. Violations of any NERC and/or Regional Entity reliability standard and/or ~~the violation~~violations of regulatory requirement(s)

pertaining to the development, construction, ownership, operation, and/or maintenance of electric infrastructure facilities, and, if so, an explanation of such violations-

D. A description of the experience of the transmission developer in acquiring rights of way; and

5. Evidence that the transmission developer or its parent company if relevant has been in existence at least three years.

**14.2 Review of Pre-Qualification Applications:** No later than November 1<sup>st</sup> of the then-current planning cycle, the Transmission Provider will notify transmission developers that submitted pre-qualification applications or updated information by August 1<sup>st</sup>, if they have not pre-qualified as eligible to propose a transmission project for consideration for selection in a regional transmission plan for RCAP in the upcoming planning cycle. A list of transmission developers that have pre-qualified for the upcoming planning cycle will be posted on the Regional Planning Website.

**14.3 Opportunity for Cure for Pre-Qualification Applications:** Transmission developers who do not meet the pre-qualification criteria or who provide an incomplete application will have 15 calendar days to resubmit the necessary supporting documentation to remedy the identified deficiency. The Transmission Provider will notify the transmission developer, whether they are, or will continue to be, pre-qualified within 30 calendar days of the resubmittal.

**14.4 Pre-Qualification Renewal:** If a transmission developer is currently pre-qualified as eligible to propose a transmission project for consideration for selection in a regional transmission plan for RCAP in the then-current

planning cycle, such transmission developer may not be required to re-submit information to pre-qualify with respect to the upcoming planning cycle. In the event the information on which the entity's pre-qualification is based has changed, such entity must submit all updated information by the August 1<sup>st</sup> deadline. In addition, all transmission developers must submit a full pre-qualification application once every 3 years.

**14.5 Enrollment Requirement to Propose a Transmission Project for Potential Selection in a Regional Transmission Plan for RCAP:** If a transmission developer or its parent company 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 13.2 to propose a transmission project for potential selection in a regional transmission plan for RCAP.

**14.15. Transmission Facilities Potentially Eligible for RCAP:**

**15.1** In order for a transmission project proposed by a transmission developer, whether incumbent or nonincumbent, to be considered for evaluation and potential selection in a regional transmission plan 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 potential selection in a regional plan for RCAP would be a transmission line that would in that it:~~

1. operates at a voltage of 300 kV or greater and
2. a. ~~operate at a voltage of 300 kV or greater and spans 100 miles or more within the SERTP. A transmission project that does not span 100 miles or more within the SERTP;~~ and b. ~~portions of said~~ but spans at

~~least 50 miles and would displace transmission line must projects that would be located in two or more balancing authority areas located in the SERTP; would also be acceptable;~~

- ~~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;~~

15.2 In addition to satisfying the requirements of Section 15.1, the proposed transmission project cannot be an upgrade to an existing facility. A transmission upgrade includes any expansion, replacement, or modification, for any purpose, made to existing transmission facilities, including, but not limited to:

- a) transmission line reconductors;
- b) the addition, modification, and/or replacement of transmission line structures and equipment;
- c) increasing the nominal operating voltage of a transmission line;
- d) the addition, replacement, and/or reconfiguration of facilities within an existing substation site;
- e) the interconnection/addition of new terminal equipment and/or substations onto existing transmission lines.

For purposes of clarification, a transmission project proposed for RCAP may rely on the implementation of one or more transmission upgrades (as defined above) in order to reliably implement the proposed transmission project.

- ~~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.~~ 15.3 In order for the proposed transmission project to be a more efficient ~~and~~ or 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<sup>4</sup>.—~~The proposed transmission project must be able to be constructed and tied into the transmission system by the required in-service date.~~ A project will be deemed materially different, as compared to another transmission alternative(s) under consideration, if the proposals consists of significant geographical and electrical differences in the alternative’s proposed interconnection point(s) and transmission line routing.

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

Any entity may propose a transmission project for consideration by the Transmission Provider for RCAP purposes. An entity that wants to propose a transmission project for RCAP but does not intend to develop the transmission project may propose such transmission project in accordance with Section 16.6.

**15.1—Information 16.1 Materials** to be Submitted: ~~A transmission developer must submit~~In order for a transmission project to be considered for RCAP, a pre-qualified transmission developer proposing the transmission project (including an incumbent or nonincumbent transmission developer) must provide to the Transmission Provider the following information in support of a transmission project it proposes for potential selection in a regional transmission plan for RCAP to the extent not already provided in the pre-qualification application:

1. ~~Documentation of the transmission developer's ability to satisfy the qualification criteria required in Section 13;2.~~ Sufficient information for the Transmission Provider to determine that the potential transmission project satisfies the regional eligibility requirements of Section ~~1414, including any changes in the information that the developer provided in the pre-qualification process;~~
- ~~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.~~
- ~~4.2.~~ 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.);
- ~~5.3.~~ 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~~may be ~~required~~asked to support such differences with supplemental information;
- ~~4.~~ Data and/or files necessary to appropriately model the proposed transmission project.
- ~~5.~~ Documentation of the specific Transmission Need(s) that the proposed transmission project is intended to address. This documentation should include a description of the Transmission Need(s), timing of the Transmission Need(s), as well as the technical analysis performed by the transmission developer to support that the proposed transmission project addresses the specified Transmission Need(s).
6. ~~Documentation of the technical analysis performed supporting~~A description of why the proposed transmission project is expected to be more efficient or cost effective than other transmission projects included in the then-current regional transmission plan. If available, and to facilitate the evaluation of the proposal and to mitigate the potential for disputes, the entity proposing the project for RCAP purposes may submit documentation of detailed technical analyses performed that supports the position that the proposed transmission project addresses the ~~transmission needs and does so~~specified

Transmission Needs more efficiently ~~and~~ cost-effectively than specific projects included in the latest transmission expansion plan. ~~Documentation must~~Such optional documentation could include the following:

- 1) ~~▪ The identification of: (a) transmission~~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;~~
  - 2) Any additional projects that may be required in order to implement the proposed project;
  - 3) ~~▪ The data and/or files necessary to evaluate the transmission developer's analysis of the proposed transmission project; Any reduction/increase in real-power transmission system losses.~~
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 Provider's right of eminent domain for ROW acquisition; and
8. How the transmission developer intends to comply with all applicable standards and obtain the appropriate NERC certifications
- i. 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.
9. The experience of the transmission developer specific to developing, constructing, maintaining, and operating the type of transmission facilities contained in the transmission project proposed for potential selection in a regional transmission plan for RCAP
- i. Include verifiable past achievements of containing costs and

- adhering to construction schedules for transmission projects of similar size and scope as the proposed transmission project
- ii. Include a description of emergency response and restoration of damaged equipment capability
10. The planned or proposed project implementation management teams and the types of resources, including relevant capability and experience, contemplated or use in the development and construction of the proposed project
11. A written commitment to comply with all standards, including Good Utility Practices, governing the engineering, design, construction, operation, and maintenance of transmission projects in the SERTP region
12. Evidence of the ability of the transmission developer, its affiliate, partner or parent company to secure a financial commitment from an approved financial institution(s) agreeing to finance the construction, operation, and maintenance of the transmission project if selected in a regional transmission plan for RCAP.

**8-16.2 Administrative Fee:** 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:

- a) ~~The transmission developer or its~~ The proposal is determined to not satisfy the qualification criteria in Section 16.1; or
- b) The transmission developer withdraws its proposal by providing written notification of its intention to do so to the Transmission Provider prior to the First RPSG Meeting and Interactive Training Session for that transmission planning cycle.

**15.216.3 Deadline for Submittal/Transmission Developer Submittals:** 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 and payment identified in Sections ~~13~~16.1 through

~~15.1~~16.2 to the Transmission Provider 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.

**15.316.4 Initial Review of Qualification Criteria and Opportunity for Cure:**

The Transmission Provider will notify transmission developers who propose a transmission project for RCAP purposes who do not meet the qualification criteria in Section ~~13~~16.1 through ~~15.1, 16.2~~, or who provide an incomplete submittal, within ~~30~~45 calendar days of the submittal deadline to allow the transmission ~~developers~~developer 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. The Transmission Provider will notify the transmission developer, whether they have adequately remedied the deficiency within 30 calendar days of the resubmittal. Should the deficiency(ies) remain unremedied, then the project will not be considered for RCAP purposes.

**15.416.5 Change in the ~~Transmission Developer's~~ Qualification Information or Circumstances:**

16.5.1. The transmission developer proposing a transmission project for RCAP has an obligation to update and report in writing to the Transmission Provider any change to its information that was provided as the basis for its satisfying the requirements of Sections

~~13~~14 through ~~15~~, 16, except that the transmission developer is not expected to update its technical analysis performed for purposes of Section ~~15.1~~16.1-(6) to reflect updated transmission planning data as the transmission planning cycle(s) progresses.

**16.5.2** If at any time the Transmission Provider opts to review the information provided as the basis to satisfy the requirements of Sections 14 through 16 and concludes that a transmission developer or a potential transmission project proposed for possible selection in a regional transmission plan for RCAP no longer satisfies such requirements specified in Sections ~~13 through 15~~, 14 through 16, then the Transmission Provider will so notify the transmission developer or entity who will have fifteen (15) calendar days to cure. If the transmission developer does not meet the fifteen (15) day deadline to cure, or if the Transmission Provider determines that the transmission developer continues to no longer satisfy the requirements specified in Sections 14 through 16 despite the transmission developer's efforts to cure, then the Transmission Provider may remove the transmission developer's potential transmission project(s) from consideration for potential selection in a regional transmission plan for RCAP and/or remove any and all such transmission project(s) from the selected category in a regional transmission plan for RCAP, as applicable.

**16.6 Projects Proposed for RCAP Where the Entity Making the Proposal**

**Does Not Intend to be the Developer of the Project:** Should an entity propose a transmission project for RCAP but not intend to develop the project, then it must submit the information required by Sections 16.1(1), 16.1(5), and 16.1(6) for a regional project eligible for RCAP within the sixty (60) day window established in 16.2. Provided that the proposal complies with those requirements, the Transmission Provider will make information describing the proposal available on the Regional Planning Website. The entity proposing the transmission project must select a pre-qualified transmission developer from the list posted on the Regional Website in accordance with Section 14.2 to develop the project. That pre-qualified transmission developer, should it decide to proceed, must submit the materials required by Section 16 within the sixty (60) day window established in Section 14.2 in order for the proposed project to be considered for selection in a regional transmission plan for RCAP. If such a transmission project has not been so submitted within the sixty (60) day window established in Section 14.2, then the Transmission Provider may treat the project as a stakeholder-proposed transmission project alternative pursuant to Section 3.5.3(3).

**16.17. Evaluation and Potential Selection of Proposals ~~for Selection~~ in a Regional Transmission Plan for RCAP**

**16.17.1 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 Provider will evaluate current ~~transmission needs~~Transmission Needs and assess alternatives to address current needs including the potential transmission projects proposed for possible selection in a regional transmission plan for RCAP by transmission developers consistent with the regional evaluation process described in Section 11. 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 Provider will apply~~perform~~ analyses, including power flow, dynamic, and short circuit analyses, as necessary and, applying its planning guidelines and criteria to evaluate submittals ~~and,~~ determine whether, throughout the ten (10) year planning horizon:

1. The proposed transmission project addresses an underlying ~~transmission need~~Transmission Need-(s);
2. The proposed transmission project addresses ~~transmission needs~~Transmission Needs that are currently being addressed with projects in the transmission planning process and if so, which projects could be displaced (subject to the limit upon reevaluation specified in Section 19.4) by the proposed transmission project;<sup>121</sup> including:
  - transmission projects in the Transmission Provider's ten year transmission expansion plan

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<sup>124</sup> ~~Entities~~Enrollees that are identified pursuant to Section 17 to potentially have one or more of their planned transmission projects displaced by the transmission developer's potential transmission project for possible selection in a regional transmission plan for RCAP shall be referred to as "Beneficiaries."

- transmission projects in the regional transmission plan, including those currently under consideration and/or selected for RCAP purposes.
- 3. The proposed transmission project addresses a Transmission Need(s) for which no project is currently included in the latest ten (10) year expansion plans and/or Regional Transmission Plan. (If so, the Transmission Provider will identify alternative transmission project(s) which would be required to fully and appropriately address (e.g., otherwise considered to be the more efficient or cost effective alternative) the same Transmission Need(s));
- 4. ~~3.~~ Any additional projects would be required to implement the proposed transmission project.;
- 5. The proposed transmission project reduces and/or increases real power transmission losses on the transmission system within the SERTP region.

Previous analysis may be used, either in part or in whole, if applicable to the evaluation of the proposed regional transmission project.

Stakeholders may provide input into the evaluation of RCAP proposals throughout the SERTP process consistent with Section 3.5.3.

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

**16.2.117.2.1** Based upon the evaluation outlined in Section ~~16.1, 17.1,~~ the Transmission Provider will assess whether the ~~proposed~~transmission developer's transmission project ~~seeking~~proposed for selection in a regional transmission plan for 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>433</sup>

a. The benefit used in this calculation for purposes of assessing the transmission developer's proposed transmission project 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.~~ Beneficiaries' total cost savings in the SERTP region associated with:

- All transmission projects in the ten (10) year transmission expansion plan which can be displaced, as identified pursuant to Section 16.1;

All regional transmission projects included in the regional transmission plan which can be displaced, as identified pursuant to Section 16.1 and to the extent no overlap exists with those transmission projects identified as displaceable in the Transmission Provider's ten (10) year transmission expansion plan. This includes transmission projects currently selected in the regional transmission plan for RCAP; and

- All alternative transmission project(s), as determined pursuant to Section 16.1, that would be required in lieu of the proposed regional transmission project, if the proposed regional transmission project addresses a Transmission Need for which no transmission project is included in the latest ten (10) year expansion plan and/or regional transmission plan.

b. The cost used in this calculation will be quantified by the transmission cost of the ~~project~~ proposed project for selection in a regional transmission plan for RCAP plus the transmission costs of any additional projects required to implement the proposal.

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<sup>433</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 ~~46~~17.2.1 to potentially have increased costs on its transmission system located in the SERTP in order to implement the proposal.

- selection in a regional transmission plan for RCAP; and
  - Any additional projects within the SERTP on Impacted Utility transmission systems required to implement the proposal as identified pursuant to Section 16.1.
- c. If the initial BTC calculation results in a ratio equal to or greater than -1.0, then the Transmission Provider will calculate the estimated change in real power transmission losses on the transmission system(s) of Impacted Utilities. In that circumstance, an updated BTC ratio will be calculated consistent with Section 17.2.3. in which:
- The cost savings associated with a calculated reduction of real power energy losses on the transmission system(s) will be added to the benefit; and
  - The cost increase associated with a calculated increase of real power energy losses on the transmission system(s) will be added to the cost.

~~e.~~ 17.2.2 The Transmission Provider will develop planning level cost estimates for use in determining the regional benefit-to-cost ratio. Detailed engineering estimates may be used if available.

17.2.3 The cost savings and/or increase associated with real power losses on the transmission system within the SERTP with the implementation of the proposed regional project will be estimated for each Impacted Utility throughout the ten (10) year transmission planning horizon as follows:

- The Transmission Provider will utilize power flow models to determine the change in real power losses on the transmission system at estimated average load levels.
- The Transmission Provider will estimate the energy savings associated with the change in real power losses utilizing historical or forecasted data that is publicly available (e.g., FERC Form 714).

**17.2.4** For potential transmission projects found to satisfy the foregoing benefit-to-cost analysis, ~~the Transmission Provider and the Impacted Utilities~~ will then consult with the transmission developer of that project to establish a schedule ~~reflecting the expected in-service date of the project~~ for the following activities: 1) the transmission developer ~~to provide~~ providing detailed financial terms for its proposed project ~~that are acceptable to each Beneficiary~~ and 2) the proposed transmission project to ~~receive approval for selection in a regional plan for RCAP from~~ be reviewed by the jurisdictional and/or governance authorities of the Impacted Utilities pursuant to Section 17.4 for potential selection in a regional transmission plan for RCAP.

**16.317.3**      **The Transmission Developer to Provide More Detailed Financial Terms Acceptable to the Beneficiaries and the Performance of a Detailed Transmission Benefit-to-Cost Analysis:**

**17.3.1** By the date specified in the schedule established in Section ~~16.2.2,~~<sup>44</sup> 17.2.2,<sup>5</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 in a regional transmission plan for

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<sup>45</sup> The schedule established in accordance with Section ~~16~~17.2.2 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 Provider and the Impacted Utilities, in consultation with the transmission developer, as appropriate to address, for example, changes in circumstances and/or underlying assumptions.

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 Provider,
- 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.

**17.3.2** To determine whether the proposed project is considered at that time to remain a more efficient ~~and/or~~ cost effective alternative, the Transmission Provider will then perform a more detailed 1.25 transmission benefit-to-cost analysis consistent with that performed pursuant to Section ~~16.2.1~~, 17.2.1. This more detailed transmission benefit-to-cost 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) as provided by the Impacted Utilities that are applicable to/available for the proposed transmission project, the projects that would be displaced,

any additional projects required to implement the proposal and real power transmission loss impacts.<sup>6</sup>

**17.3.3** To provide for an equitable comparison, the costs of the transmission projects that would be displaced and/or required to be implemented in such a detailed benefit-to-cost analysis will include comparable cost components as provided in the proposed project's detailed financial terms (and vice-versa), as applicable. The cost components of the transmission projects that would be displaced will be provided by the Transmission Provider and/or other Impacted Utilities who would own the displaced transmission project. The cost components of the proposed transmission project and of the transmission projects that would be displaced will be reviewed and scrutinized in a comparable manner in performing the detailed benefit to cost analysis.

**17.4 Jurisdictional and/or Governance Authority -Review:**

Should the proposed transmission project be found to satisfy the more detailed benefit-to-cost analysis specified in Section 17.3, the state jurisdictional and/or governance authorities of the Impacted Utilities will be provided an opportunity to review the transmission project proposal and otherwise consult, collaborate, inform, and/or provide recommendations to

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<sup>6</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 17.2.1.

the Transmission Provider. The recommendations will inform the Transmission Provider's selection decision for purposes of Section 17.5, and such a recommendation and/or selection of a project for RCAP will not prejudice the state jurisdictional and/or governance authority's (authorities') exercise of any and all rights granted to them pursuant to state or Federal law with regard to any project evaluated and/or selected for RCAP that falls within such authority's (authorities') jurisdiction(s).

**17.5 Selection of a Proposed Transmission Project for RCAP: The**

Transmission Provider will select a transmission project (proposed for RCAP) for inclusion in the regional transmission plan for RCAP for the then-current planning cycle, subject to Sections 19 through 21, if the Transmission Provider determines that the project is a more efficient or cost effective transmission project as compared to other alternatives to reliably address Transmission Need(s).<sup>7</sup> Factors considered in this determination include:

a. Whether the project meets or exceeds the detailed benefit-to-cost analysis performed pursuant to Section 17.3. Such detailed benefit-to-cost analysis may be reassessed, as appropriate, based upon the then-current Beneficiaries and to otherwise reflect 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 would be displaced, ~~and~~ any additional projects required to implement the proposal.<sup>15</sup> – and real power transmission loss impacts;

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<sup>7</sup> Being selected for RCAP in the then-current iteration of a regional transmission plan only provides how the costs of the transmission project may be allocated in Commission-approved rates should the project be built. Being selected in a regional transmission plan 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 in a regional transmission plan for RCAP in accordance with the provisions of Sections 16.5.2, 19, 20 and 21.

b. Any recommendation provided by state jurisdictional and/or governance authorities in accordance with Section 17.4;

c. Whether the transmission developer is considered reasonably able to construct the transmission project in the proposed jurisdiction(s), including any recommendation provided by state jurisdictional and/or governance authorities in accordance with Section 17.4;

d. Whether, based on the stages of project development provided by the transmission developer in accordance with Section 16.1 and as otherwise may be updated, the transmission developer should be considered reasonably able to acquire the necessary rights-of-way (“ROW”); and

e. Whether, based on the transmission developer’s technical capabilities and the timing for the identified Transmission Need(s) and the stages of project development provided by the transmission developer in accordance with Section 16.1 and as otherwise updated, the transmission developer is considered to be reasonably able to construct and tie the proposed transmission project into the transmission system by the required in-service date.

f. Whether it is reasonably expected that the Impacted Utilities will be able to construct and tie-in any additional facilities on their systems located within the SERTP that are necessary to reliably integrate the proposed project.

g. Any updated qualification information regarding the transmission developer’s finances or technical expertise, as detailed in Section 14.

**~~16.4—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 18, if: (i) the detailed financial terms provided in accordance with Section 16.3, as may be modified by agreement of the transmission developer and Beneficiary(ies), are acceptable to each Beneficiary; (ii) the proposed transmission project is found to satisfy the~~

~~more detailed benefit-to-cost analysis specified in Section 16.3; and (iii) 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 16.2.2.<sup>16</sup> If obtaining jurisdictional and/or governance authorities approval requires a modification of the detailed financial terms found acceptable in Section 16.3, 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.~~

The Transmission Provider will post on the Regional Planning Website its determination regarding whether a proposed project will be selected for inclusion in the regional transmission plan for RCAP for that transmission planning cycle. The Transmission Provider will document its determination in sufficient detail for stakeholders to understand why a particular project was selected or not selected for RCAP and will make this supporting documentation available to the transmission developer or stakeholders, subject to any applicable confidentiality requirements.

**17.18. Cost Allocation Methodology Based Upon Avoided Transmission**

**Costs:** If a regional transmission project is selected in a regional transmission plan for RCAP in accordance with Section ~~16.4~~17.5 and then constructed and placed into service, the Beneficiaries identified in the detailed benefit-to-cost analysis performed in Section 16.3 ~~to potentially have one or~~ will be allocated the regional

transmission project's costs based upon their cost savings calculated in accordance with Section 17.3 and associated with:

1. The displacement of one or more of the transmission projects previously included in their ten (10) year transmission expansion plan.
2. The displacement of one or more regional transmission projects previously included in the regional transmission plan.
3. Any alternative transmission project(s) that would be required in lieu of the regional transmission project, if the proposed regional transmission project addresses a Transmission Need for which no transmission project is included in the latest ten (10) year expansion plan and/or regional transmission plan.
4. The reduction of real power transmission losses on their transmission system.

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<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 in a regional plan 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 in a regional plan for RCAP in accordance with the provisions of Sections 15.4, 18 and~~

**19.**

~~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 16.3 and 16.4. 18.~~

### **On-Going Evaluations of Proposed Projects:**

**19.1** In order to ensure that the Transmission Provider 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/or cost effective, the Transmission Provider will continue to reevaluate ~~a proposed transmission project, including any such projects that are being considered for potential selection in a regional plan for RCAP and any transmission projects that may have been selected~~

~~in a regional plan for RCAP. the regional transmission plan throughout the then-current planning cycle and in subsequent cycles. 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 subsequent expansion planning processes that reflect ongoing changes in actual and forecasted conditions, the then-current Transmission Needs and determine whether transmission projects included in the regional transmission plan (i) continue to be needed and ii) are more cost efficient or cost effective as compared to alternatives.

- These on-going assessments will include reassessing transmission projects that have been selected in the regional transmission plan for RCAP purposes and any projects that are being considered for potential selection in a regional transmission plan for RCAP.

**19.2** Even though a ~~proposed transmission~~ project may have been selected in a regional transmission plan for RCAP in an earlier regional transmission plan, if it is determined that the ~~proposed transmission~~ project is no longer needed and/or it is no longer more efficient ~~and/or~~ cost effective than alternatives, then the Transmission Provider may notify the transmission developer and remove the proposed project from the selected category in a regional transmission plan for RCAP. ~~Reevaluation will occur~~

**19.3** The cost allocation of a regional project selected in a regional transmission plan for RCAP that remains selected in the regional transmission plan for RCAP may be modified in subsequent planning cycles based upon:

- The then-current determination of benefits,
- Cost allocation modifications as mutually agreed by the Beneficiaries, or
- Cost modifications, as found acceptable by both the transmission developer and the Beneficiary(ies).

19.4 The reevaluation of the regional transmission plan will include the reevaluation of a particulate transmission project selected in the regional transmission plan until it is no longer reasonably feasible to replace the proposed transmission project as a result of the proposed transmission project being in a material stage of construction and/or if 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.

**19.20. Delay or Abandonment:**

20.1 The transmission developer shall promptly notify the Transmission Provider should any material changes or delays be encountered in the development of the potential transmission project. As part of the Transmission Provider's on-going transmission planning efforts, the Transmission Provider will assess whether alternative transmission solutions may be required in addition to, or in place of, a potential transmission project selected in a regional transmission plan 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 Provider should any material changes or delays be encountered in the~~

~~development of the~~The identification and evaluation of potential transmission project.~~— If, due to such delay or abandonment, the Transmission Provider determines that a project selected in a regional plan for RCAP no longer adequately addresses underlying transmission needs and/or no longer remains more efficient and cost effective, then the Transmission Provider may remove the~~alternative solutions may include transmission project alternatives identified by the Transmission Provider to include in the ten year transmission expansion plan. Furthermore, nothing precludes the Transmission Provider from proposing such alternatives for RCAP pursuant to Section 16.

**20.2** Based upon the alternative transmission projects identified in such on-going transmission planning efforts, the Transmission Provider will evaluate the transmission project alternatives consistent with the regional transmission planning process. The Transmission Provider will remove a delayed project from being selected in a regional transmission plan for RCAP and proceed with seeking appropriate solution(s).—if the project no longer:

- Can continue to adequately address underlying Transmission Needs by the required Transmission Need dates and/or;
- Remains more efficient or cost effective based upon a reevaluation of the detailed benefit-to-cost calculation. The BTC calculation will factor in any additional transmission solutions required to implement the proposal (e.g. temporary fixes) and will also compare the project to identified transmission project alternatives.

**20.3** If removed from being selected in a regional transmission plan for RCAP due to delay or abandonment by the transmission developer, then the transmission developer shall be responsible for, at a minimum, any increased costs to the Impacted Utilities due to any such delay or abandonment.

**20. 21.** **Milestones of Required Steps Necessary to Maintain Status as Being Selected for RCAP:**

**21.1** Once a regional transmission project is selected in a regional transmission plan for RCAP, the transmission developer must submit a development schedule to the Transmission Provider and the Impacted Utilities that establishes the milestones, ~~including by which the necessary steps to develop and construct the transmission project must occur.~~ These milestones include (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~~ demonstrating that any additional transmission projects of all Impacted Utilities that are necessary to implement the transmission project ~~must occur~~ selected in the regional transmission plan for RCAP will be completed. The schedule and milestones must be satisfactory to the Transmission Provider and the Impacted Utilities.

**21.2** In addition, the Transmission Provider and the Impacted Utilities will also determine the deadline(s) by which the transmission developer must

provide security/collateral arrangements for the proposed project ~~and the~~ deadline(s) by which they must be provided.<sup>17</sup> that has been selected for RCAP to the Beneficiaries or otherwise satisfy requisite creditworthiness standards.

**21.3** If such critical steps are not met by the specified milestones and then afterwards maintained, then the Transmission Provider may remove the project from the selected category in a regional transmission plan for RCAP.

~~**21. Mutually Agreed Upon Contract(s) Between the Transmission Developer and the Beneficiaries:** The contract(s) referenced in Section 20 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.~~

<sup>17</sup>Satisfying the minimum, financial criteria specified in Section 1~~43~~.1-2 alone in order to be eligible propose a project for RCAP will not satisfy this security/collateral requirement.