

ATTACHMENT [K-___]**Interregional Transmission Coordination Between the SERTP and [Neighboring Region]**

The Transmission Provider, through its regional transmission planning process, coordinates with the public utility transmission providers in [Neighboring Region] to address transmission planning coordination issues related to interregional transmission facilities. The interregional transmission coordination procedures include a detailed description of the process for coordination between public utility transmission providers in the SERTP and [Neighboring Region] (i) with respect to an interregional transmission facility that is proposed to be located in both transmission planning regions and (ii) to identify possible interregional transmission facilities that could address transmission needs more efficiently or cost-effectively than transmission facilities included in the respective regional transmission plans. The interregional transmission coordination procedures are hereby provided in this Attachment [K-___] with additional materials provided on the Regional Planning website.

The Transmission Provider ensures that the following requirements are included in the interregional transmission coordination procedures:

- (1) A commitment to coordinate and share the results of the SERTP and [Neighboring Region's] regional transmission plans to identify possible interregional transmission projects that could address transmission needs more efficiently or cost-effectively than separate regional transmission facilities, as well as a procedure for doing so;
- (2) A formal procedure to identify and jointly evaluate transmission facilities that are proposed to be located in both transmission planning regions;

- (3) A duty to exchange, at least annually, planning data and information; and
- (4) A commitment to maintain a website or e-mail list for the communication of information related to the coordinated planning process.

The Transmission Provider has worked with transmission providers located in the [Neighboring Region] to develop a mutually agreeable method for allocating between the two transmission planning regions the costs of new interregional transmission facilities that are located within both transmission planning regions. Such cost allocation method satisfies the six interregional cost allocation principles set forth in Order No. 1000 and is included in this Attachment [K-___].

For purposes of this Attachment [K-___], the SERTP's regional transmission planning process is the process described in Attachment [K] of this Tariff; the [Neighboring Region's] regional transmission planning process is the process described in [Neighboring Region's Tariff Section]. References to the respective regional transmission planning processes in this Attachment [K-___] are intended to identify the activities described in those tariff provisions. Unless noted otherwise, Section references in this Attachment [K-___] refer to Sections within this Attachment [K-___].

INTERREGIONAL TRANSMISSION PLANNING PRINCIPLES

Representatives of the SERTP and [Neighboring Region] will meet no less than once per year to facilitate the interregional coordination procedures described below (as applicable). Representatives of the SERTP and [Neighboring Region] may meet more frequently during the evaluation of project(s) proposed for purposes of interregional cost allocation between the SERTP and [Neighboring Region].

1. Coordination

1.1 Review of Respective Regional Plans: Biennially, the Transmission Provider and the public utility transmission providers in the [Neighboring Region] shall review each other's current regional plan(s) and engage in the data exchange and joint evaluation described in Sections 2 and 3.

1.2 Review of Proposed Interregional Projects: The Transmission Provider and the public utility transmission providers in the [Neighboring Region] will coordinate with regard to the evaluation of interregional transmission projects identified by the Transmission Provider and the public utility transmission providers in the [Neighboring Region] as well as interregional transmission projects proposed for Interregional Cost Allocation Purposes ("Interregional CAP"), pursuant to Sections 3 and 4, below. Initial coordination activities regarding new interregional proposals will typically begin during the third calendar quarter. The Transmission Provider and [Neighboring Region] will typically exchange status updates for new interregional transmission project proposals or proposals currently under consideration every six (6) months, or as needed. These status updates will generally include, if applicable: (i) an update of the region's evaluation of the proposal; (ii) the latest calculation of Regional Benefits (as defined in Section 4.2); (iii) the anticipated timeline for future assessments; and (iv) reevaluations related to the proposal.

1.3 Coordination of Assumptions Used in Joint Evaluation: The Transmission Provider and the public utility transmission providers in the [Neighboring Region] will coordinate assumptions used in joint evaluations, as necessary, which

includes items such as:

- Expected timelines/milestones associated with the joint evaluation
- Study assumptions
- Regional benefit calculations.

2. Data Exchange

- 2.1** At least annually, the Transmission Provider and the public utility transmission providers in the [Neighboring Region] shall exchange power-flow models and associated data used in the regional transmission planning processes to develop their respective then-current regional transmission plan(s). This exchange will typically occur by the beginning of each region's transmission planning cycle. Additional transmission-based models and data may be exchanged between the Transmission Provider and the public utility transmission providers in the [Neighboring Region] as necessary and if requested. For purposes of the interregional coordination activities outlined in this Attachment [K-___], only data and models used in the development of the Transmission Provider's and [Neighboring Region's] then-current regional transmission plans and used in their respective regional transmission planning processes will be exchanged. This data will be posted on the pertinent regional transmission planning process' website, consistent with the posting requirements of the respective regional transmission planning processes, and is considered CEII. The Transmission Provider shall notify the [Neighboring Region] of such posting.
- 2.2** The SERTP regional transmission plans will be posted on the Regional Planning website pursuant to the Transmission Provider's regional transmission planning

process. The Transmission Provider will also notify the [Neighboring Region] of such posting so the [Neighboring Region] may retrieve these transmission plans. The [Neighboring Region] will exchange its then-current regional plan(s) in a similar manner according to its regional transmission planning process.

3. Joint Evaluation

3.1 Identification of Interregional Projects: The Transmission Provider and the public utility transmission providers in the [Neighboring Region] shall exchange planning models and data and current regional transmission plans as described in Section 2. The Transmission Provider and the public utility transmission providers in the [Neighboring Region] will review one another's then-current regional plan(s) in accordance with the coordination procedures described in Section 1 and their respective regional transmission planning processes. If through this review, the Transmission Provider and the public utility transmission providers in the [Neighboring Region] identify a potential interregional project that could be more efficient and cost effective than projects included in the respective regional plans, the Transmission Provider and the public utility transmission providers in the [Neighboring Region] will jointly evaluate the potential project pursuant to Section 3.3.

3.2 Identification of Interregional Projects by Stakeholders: Stakeholders may also propose projects that may be more efficient or cost-effective than projects included in the Transmission Provider's and [Neighboring Region's] regional transmission plans pursuant to the procedures in each region's regional transmission planning processes. The Transmission Provider and the public

utility transmission providers in the [Neighboring Region] will evaluate interregional projects proposed by stakeholders pursuant to Section 3.3.

3.3 Evaluation of Interregional Projects: The Transmission Provider and the public utility transmission providers in the [Neighboring Region] shall act through their respective regional transmission planning processes to evaluate potential interregional transmission projects and to determine whether the inclusion of any potential interregional transmission projects in each region's regional transmission plan would be more efficient or cost-effective than projects included in their respective then-current regional transmission plans. Such analysis shall be consistent with accepted planning practices of the respective regions and the transmission study methodologies utilized to produce each region's respective regional transmission plan(s). To the extent possible and as needed, assumptions and models will be coordinated between the Transmission Provider and the public utility transmission providers in the [Neighboring Region] as described in Section 1. Data shall be exchanged to facilitate this evaluation using the procedures described in Section 2.

3.4 Initial Evaluation of Interregional Projects Proposed for Interregional Cost Allocation Purposes: If an interregional project is proposed in the SERTP and the [Neighboring Region] for Interregional CAP, the initial evaluation of the project will typically begin during the third calendar quarter, with analysis conducted in the same manner as analysis of interregional projects identified pursuant to Sections 3.1 and 3.2. Projects proposed for Interregional CAP shall also be subject to the requirements of Section 4.

4. **Cost Allocation:** If an interregional project is proposed for Interregional CAP in the SERTP and the [Neighboring Region], then the following methodology applies:

4.1 Interregional Projects Proposed for Interregional Cost Allocation Purposes:

For a transmission project to be considered for Interregional CAP within the SERTP and [Neighboring Region], the following criteria must be met:

- A. The transmission project must be interregional in nature:
- Be located in both the SERTP region and the [Neighboring Region];
 - Interconnect to the transmission facilities of one or more SERTP Sponsors and the transmission facilities of a transmission owner in the [Neighboring Region]; and
 - Meet the qualification criteria for transmission projects potentially eligible to be included in the regional transmission plans for purposes of cost allocation in both the SERTP and the [Neighboring Region], pursuant to their respective regional transmission planning processes.
- B. On a case-by-case basis, the Transmission Provider and the [Neighboring Region] may consider a transmission project that does not satisfy all of the criteria specified in Section 4.1.A but: (i) meets the threshold criteria for a project proposed to be included in the regional transmission plan for purposes of cost allocation in at least one of the two regions; (ii) would be located in both regions; and (iii) would be interconnected to the transmission facilities of one or more SERTP Sponsors and the transmission facilities of a transmission owner in the [Neighboring Region].

- C. The transmission project must be proposed for purposes of cost allocation in both the SERTP and [Neighboring Region].
 - o The transmission developer and project submittal must satisfy all criteria specified in the respective regional transmission processes.
 - o The proposal should be submitted in the timeframes outlined in the respective regional transmission planning processes.

4.2 Evaluation of Interregional Projects Proposed for Interregional Cost

Allocation Purposes: Interregional projects proposed for Interregional CAP in the SERTP and [Neighboring Region] shall be evaluated within the respective regions as follows:

- A. Each region, acting through its regional transmission planning process, will evaluate proposals to determine whether the proposed project(s) addresses transmission needs that are currently being addressed with projects in its regional transmission plan and, if so, which projects in the regional transmission plan could be displaced by the proposed project(s).
- B. Based upon its evaluation, each region will quantify a Regional Benefit based upon the transmission costs that each region is projected to avoid due to its transmission project(s) being displaced by the proposal.
 - o For purposes of this Attachment [K-___], “Regional Benefit” means the total avoided costs of projects included in the then-current regional transmission plans that would be displaced if the proposed interregional transmission project was included. The Regional Benefit is not necessarily the same as the benefits utilized in the

respective regional transmission planning processes for determining, for example, *regional* cost allocation.

4.3. Calculation of Benefit to Cost Ratio: Each region will calculate a regional benefit to cost (“BTC”) ratio consistent with its regional process and compare the BTC ratio to its respective threshold to determine if the interregional project appears to be more efficient and cost effective than those projects included in its current regional transmission plan. For purposes of this BTC ratio evaluation:

- A. Each region shall utilize the benefit calculation(s) as defined in such region’s regional transmission planning process (for purposes of clarity, these benefits – which are those utilized in the respective regional transmission planning processes for determining, for example, regional cost allocation – are not necessarily the same as the Regional Benefits determined pursuant to Section 4.2).
- B. Each region shall utilize the cost calculation(s) as defined in such region’s regional transmission planning process. The anticipated percentage allocation of costs of the interregional project to each region shall be based upon the ratio of the region’s Regional Benefit to the sum of the Regional Benefits identified for both the SERTP and the [Neighboring Region]. The Regional Benefits shall be determined pursuant to the methodology described in Section 4.2.

Regional BTC assessments shall be performed in accordance with each region’s regional transmission planning process, including but not limited to subsequent calculations and reevaluations.

4.4 Inclusion in Regional Transmission Plans: An interregional project proposed for Interregional CAP in the SERTP and the [Neighboring Region] will be included in the respective regional transmission plans for purposes of cost allocation after:

- A. Each region has performed all evaluations, as prescribed in its regional transmission planning process, necessary for a project to be included in its regional transmission plan for purposes of cost allocation.
 - This includes any regional BTC ratio calculations performed pursuant to Section 4.3; and
- B. Each region has obtained all approvals, as prescribed in its regional process, necessary for a project to be included in the regional transmission plan for purposes of cost allocation.

4.5 Allocation of Costs Between the SERTP and the [Neighboring Region]: The cost of an interregional project, selected for purposes of cost allocation in the regional transmission plans of both the SERTP and the [Neighboring Region], will be allocated as follows:

- A. Each region will be allocated a portion of the interregional project's costs in proportion to such region's Regional Benefit to the sum of the Regional Benefits identified for both the SERTP and the [Neighboring Region].
 - The Regional Benefits used for this determination shall be based upon the last Regional Benefit calculation performed – pursuant to the method described in Section 4.2. – before each region included the project in its regional transmission plan for purposes of cost

allocation and as approved by each region.

- B. Costs allocated to each region shall be further allocated within each region pursuant to the cost allocation methodology contained in its regional transmission planning process.

4.6 Removal from Regional Plans: An interregional project may be removed from the SERTP's or the [Neighboring Region's] regional transmission plan for purposes of cost allocation: (i) if the developer fails to meet developmental milestones; (ii) pursuant to the reevaluation procedures specified in the respective regional transmission planning processes; or (iii) if the project is removed from one of the region's regional transmission plans pursuant to the requirements of its regional transmission planning process.

- A. The Transmission Provider shall notify [Neighboring Region] if an interregional project or a portion thereof is likely to be removed from its regional transmission plan.

5. Transparency

- A. The Transmission Provider shall post procedures for coordination and joint evaluation on the Regional Planning website.
- B. Access to the data utilized will be made available through the Regional Planning website subject to the appropriate clearance, as applicable (such as CEII and confidential non-CEII). The Transmission Provider shall make available on the Regional Planning websites links to where stakeholders can register (if applicable/available) for the stakeholder committee(s) or distribution list(s) of the [Neighboring Region].

- C. At the fourth quarter SERTP Summit, or as necessary due to current activity of proposed interregional transmission projects, the SERTP will provide status updates of interregional activities including:
- Facilities to be evaluated
 - Analysis performed
 - Determinations/results.
- D. Stakeholders will have an opportunity to provide input and feedback within the respective regional transmission planning processes of SERTP and [Neighboring Region] related to interregional facilities identified, analysis performed, and any determination/results. Stakeholders may participate in either or both regions' regional transmission planning processes to provide their input and feedback regarding the interregional coordination between the SERTP and [Neighboring Region].