

MISO-SERTP Order 1000
Draft Interregional Coordination and Cost Allocation Strawman
April 15, 2013

I. Interregional Coordination

[Order 1000 Requirement: Develop and implement procedures that provide for the sharing of information regarding the respective needs of neighboring transmission planning regions.]

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

A. SERTP and MISO Responsibilities:

1. Perform annual model and data exchange procedures described in Section III.
2. Biennially review each region's proposed regional plans as provided by either region, along with other issues pertaining to the identification/evaluation of potential interregional facilities.
 - The review of each region's proposed regional plan(s), which includes the solutions identified within each respective region to address regional transmission needs, will occur at a mutually agreed to time taking into consideration each region's planning process timeline.
3. Determine, after the biennial review, if there are potential interregional projects to jointly evaluate.
4. Coordinate assumptions used in the joint evaluation, as necessary, between the SERTP and MISO of proposed interregional projects for cost allocation purposes, including:
 - Expected timelines/milestones associated with the joint evaluation
 - Study assumptions
 - Regional benefit calculations
5. Coordinate materials posted on each region's website on the SERTP and MISO interregional coordination process

B. Stakeholders

1. Stakeholders will have an opportunity to provide input and feedback within the respective regional planning processes of SERTP and MISO related to interregional facilities identified, analysis performed, and any determination/results.
2. Stakeholders may participate in either or both regions' regional planning processes to provide their input and feedback regarding the interregional coordination between the SERTP and MISO. Both planning regions will make available, on their respective regional websites, links to where stakeholders can register (if applicable/available) for the stakeholder committees or distribution lists of the adjacent region.

II. Transparency

- A. Procedures for Coordination and Joint evaluation will be posted on the SERTP and MISO regional websites.
 - If applicable, this will include links to where stakeholders can register for the stakeholder committees or distribution lists of adjacent regions
- B. Access to the data utilized will be made available, subject to the appropriate clearance, as applicable (such as CEII and confidential non-CEII clearances).
- C. The SERTP and MISO will provide, within their respective regional processes, updates on the status of interregional activities, including interregional facilities identified, analysis performed, and any determination/results.

III. Data Exchange

[Order 1000 Requirement: Through clearly described procedures, exchange planning data and information between neighboring planning regions at least annually.]

A. ANNUAL DATA EXCHANGE

Data will be exchanged between the SERTP and MISO on an annual basis. The annual data exchange will include the following items:

1. Power flow models utilized in the respective regional planning processes for projected system conditions for the planning horizon (up to next ten (10) years);
2. Contingency lists;
3. The SERTP and MISO will exchange current regional plans, which include the solutions identified within each respective region to address regional transmission needs.
 - Annual data exchange will be completed based upon the availability of data in the respective regional planning processes of the SERTP and MISO. Typically, this will occur during the first calendar quarter of the year.
 - Models, data, and information provided will be consistent with those used in the SERTP's and MISO's respective regional planning processes.
 - Data exchanged will be subject to any applicable confidentiality and/or CEII requirements.
 - SERTP and MISO are not required to share or develop data, models, and/or information which they do not use in their respective regional planning processes.

B. ADDITIONAL DATA EXCHANGE

Additional transmission based models or information may be exchanged between MISO and the SERTP as necessary and if requested, subject to the following:

- Data exchanged between the SERTP and MISO will be subject to any applicable confidentiality and/or CEII requirements.
- SERTP and MISO are not required to share or develop data, models, and/or information which they do not use in their respective regional planning processes.

IV. Joint Evaluation

[Order 1000 Requirement: Develop and implement procedures for neighboring planning regions to identify and jointly evaluate transmission facilities that are proposed to be located in both regions that may more efficiently or cost effectively address the individual needs identified in their respective local and regional processes.]

C. IDENTIFYING & EVALUATING INTERREGIONAL FACILITIES

1. Biennially the SERTP and MISO will review data provided by each region as described in Section I. Interregional Coordination.
2. If, through this review, the SERTP and MISO identify an interregional transmission facility that could be more efficient and cost effective, each region will perform the required transmission planning analysis/evaluation of the facility to determine if a regional project(s) may be displaced.
3. Each region, acting through its respective regional transmission planning process, will consider stakeholder submittals to determine whether the proposal addresses transmission needs that are currently being addressed with projects in the regional transmission planning processes, and if so, which local and regional projects could be displaced and/or deferred by the proposal.
4. For an interregional project that is being proposed for purposes of interregional cost allocation, the project must be proposed in both the SERTP and MISO by the dates/timeframes defined in the respective regional processes.
 - The transmission developer and project submittal must satisfy all criteria specified in the respective regional processes.
5. Throughout this evaluation, the SERTP and MISO will coordinate regarding the proposed interregional project as described in Section I. Interregional Coordination.
6. If the interregional facility is proposed for cost allocation purposes, this evaluation will quantify the benefits identified in each region using the benefit metrics identified in Section V. Interregional Cost Allocation.
7. The SERTP and MISO will regularly review and discuss the status of the joint evaluation of the proposed interregional project.

V. Cost Allocation

[Order 1000 Requirement: Develop a method or set of methods for allocating the costs of new interregional transmission facilities proposed for purposes of interregional cost allocation that neighboring transmission planning regions determine resolve the individual needs of each region more efficiently and cost effectively and that meets all six cost allocation principles prescribed in Order 1000.]

If an interregional project is proposed for purposes of interregional cost allocation, then the following methodology applies.

A. INTERREGIONAL FACILITY DEFINITION

For a transmission project to be considered for purposes of interregional cost allocation within the SERTP and MISO, the transmission project must be interregional in nature:

- Interconnected to facilities located in MISO and the SERTP and;
 - Operate at a voltage of 300 kV or higher
 - Span 100 miles or more
 - Have a benefit-to-cost ratio of 1.25 or higher in each of the MISO and SERTP regions calculated pursuant to Section V.D.

On a case-by-case basis, MISO and the SERTP will consider an interregional transmission project that meets the threshold criteria for a regional project in at least one of the regions and is interconnected to facilities located in MISO and the SERTP, but does not meet all the criteria listed in Section V.A to qualify as an interregional project.

B. Determination of BENEFITS for a -SERTP Interregional Project

MISO and the SERTP will quantify their respective benefits of the proposed MISO-SERTP interregional project based upon the transmission costs that each region are projected to avoid due to proposed transmission project(s) in their regional plan(s) being displaced by the proposed by MISO-SERTP interregional project.

- The benefit for SERTP will be based upon the costs of projects displaced from the SERTP regional plan.
- The benefit for MISO will be based on avoided project cost of displaced proposed market efficiency projects.

C. INTERREGIONAL COST ALLOCATION

The cost of a MISO-SERTP Interregional Project will be allocated to each region as follows:

- 1) the share of the identified SERTP avoided project cost of the total avoided project cost between MISO and the SERTP; and
- 2) the share of the identified MISO avoided project cost of the total avoided project cost between MISO and the SERTP.

- Allocation would be based upon the avoided estimated project cost identified prior to each region including the MISO-SERTP Interregional Project in their respective regional plans.
- Costs allocated to each region would be further allocated within the region pursuant to the regional cost allocation methodology.

D. INCLUSION IN REGIONAL PLANS

A MISO-SERTP Interregional Project proposed for purposes of interregional cost allocation will be included in the respective regional plans only when:

- Each region has performed all evaluations, as prescribed in their respective regional processes, necessary for a facility proposed for purposes of regional cost allocation to be included in the regional plan.
 - This includes any regional benefit to cost (“BTC”) ratio calculations. The projected interregional cost allocation to be used by MISO and SERTP in their respective BTC calculations will be based upon the latest estimates of regional benefit calculations.
- Each region has obtained the approvals as prescribed in their respective regional processes, necessary for a facility proposed for purposes of regional cost allocation to be included in the regional plan

E. ONGOING EVALUATIONS/DEVELOPMENTAL MILESTONES

A MISO-SERTP Interregional Project may be removed from a regional plan based upon failure to meet developmental milestones and/or reevaluation procedures specified in the respective regional processes, or the removal of the MISO-SERTP Interregional Project from the adjacent region’s plan. MISO and SERTP will notify each other if, based on reevaluations or failure of a project/developer to meet developmental milestones, the MISO-SERTP Interregional Project or a portion thereof is being evaluated for removal from a regional plan.

- MISO and SERTP will regularly communicate regarding the status of the approved MISO-SERTP Interregional Project and communicate with stakeholders through the respective regional processes.