

170 FERC ¶ 61,298  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;  
Richard Glick and Bernard L. McNamee.

PacifiCorp	Docket Nos. ER20-882-000
NorthWestern Corporation	ER20-883-000
Avista Corporation	ER20-885-000
Puget Sound Energy, Inc.	ER20-888-000
Idaho Power Company	ER20-890-000
MATL LLP	ER20-891-000
Portland General Electric Company	ER20-892-000

ORDER ACCEPTING TARIFF REVISIONS

(Issued March 31, 2020)

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1. On January 28, 2020, PacifiCorp, NorthWestern Corporation (NorthWestern), Avista Corporation (Avista), Puget Sound Energy, Inc. (Puget), Idaho Power Company (Idaho Power), MATL LLP (MATL), and Portland General Electric Company (Portland General) (collectively, Filing Parties) submitted, pursuant to section 205 of the Federal Power Act (FPA)<sup>1</sup> and Part 35 of the Commission's regulations,<sup>2</sup> proposed revisions to Attachment K of their respective Open Access Transmission Tariffs (OATT) to create a new transmission planning region called NorthernGrid, which would replace the existing ColumbiaGrid and Northern Tier Transmission Group (NTTG) transmission planning regions. In this order, we accept the proposed tariff revisions, effective April 1, 2020, as requested.

## **I. Background**

2. In Order No. 1000,<sup>3</sup> the Commission adopted a package of reforms addressing transmission planning and cost allocation that, taken together, are designed to ensure that Commission-jurisdictional services are provided at just and reasonable rates and on a basis that is just and reasonable and not unduly discriminatory or preferential. The transmission planning reforms in Order No. 1000 require that each public utility transmission provider: (1) participate in a regional transmission planning process that produces a regional transmission plan; (2) amend its OATT to describe procedures for the consideration of transmission needs driven by Public Policy Requirements<sup>4</sup> established by local, state, or federal laws or regulations in the local and regional transmission planning processes; (3) remove federal rights of first refusal from Commission-jurisdictional tariffs and agreements for certain new transmission facilities; and (4) improve coordination between neighboring transmission planning regions for new interregional transmission facilities.

3. Order No. 1000's cost allocation reforms require that each public utility transmission provider participate in a regional transmission planning process that has: (1) a regional cost allocation method or methods for the cost of new transmission facilities selected in a regional transmission plan for purposes of cost allocation; and (2) an interregional cost

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<sup>1</sup> 16 U.S.C. § 824d (2018).

<sup>2</sup> 18 C.F.R. pt. 35 (2019).

<sup>3</sup> *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 136 FERC ¶ 61,051 (2011), *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh'g and clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom. S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014).

<sup>4</sup> Public Policy Requirements are defined and described below.

allocation method or methods for the cost of new transmission facilities that are located in two neighboring transmission planning regions and are jointly evaluated by the two regions in the interregional transmission coordination procedures required by Order No. 1000. Order No. 1000 also requires that each cost allocation method satisfy six cost allocation principles.

4. The Commission acknowledged in Order No. 1000 that each transmission planning region has unique characteristics, and, therefore, Order No. 1000 accords transmission planning regions significant flexibility to tailor regional transmission planning and cost allocation processes to accommodate regional differences.<sup>5</sup> Order No. 1000 does not prescribe the exact manner in which public utility transmission providers must fulfill the regional transmission planning requirements.<sup>6</sup> Similarly, because the Commission did not want to prescribe a uniform method of cost allocation for every transmission planning region, Order No. 1000 adopts the use of cost allocation principles.<sup>7</sup> The Commission stated that it was acting to identify a minimum set of requirements that must be met to ensure that all transmission planning processes and cost allocation mechanisms subject to its jurisdiction result in Commission-jurisdictional services being provided at rates, terms and conditions that are just and reasonable and not unduly discriminatory or preferential, and it acknowledged that public utility transmission providers in some regions may already meet or exceed some requirements of Order No. 1000.<sup>8</sup>

5. On September 6, 2019, Filing Parties submitted coordinated revisions to their respective Attachment Ks that proposed to create the NorthernGrid transmission planning region and regional transmission planning process. On December 27, 2019, the Commission rejected the proposal, without prejudice to Filing Parties submitting revised filings that addressed several aspects of the proposal that the Commission found to be inconsistent with the requirements of Order No. 1000 or otherwise not just and reasonable.<sup>9</sup>

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<sup>5</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 61.

<sup>6</sup> *Id.* P 157.

<sup>7</sup> *Id.* P 604.

<sup>8</sup> *Id.* P 13.

<sup>9</sup> *Puget Sound Energy, Inc.*, 169 FERC ¶ 61,249, at PP 1, 17 (2019) (December 2019 Order).

## II. Filings

6. Each Filing Party is currently a member of either ColumbiaGrid or NTTG, two neighboring Order No. 1000 transmission planning regions located in the northwestern United States. Avista and Puget are currently members of ColumbiaGrid, while Idaho Power, MATL, NorthWestern, PacifiCorp, and Portland General are currently members of NTTG.

7. On January 28, 2020, Filing Parties submitted, in separate dockets, coordinated revisions of their respective Attachment Ks that seek to create the NorthernGrid transmission planning region and regional transmission planning process.<sup>10</sup> Filing Parties state that their proposed Attachment Ks are generally the same as those filed in Docket No. ER19-2760, et al., except that they have been revised to reflect the Commission's guidance in the December 2019 Order.<sup>11</sup> Filing Parties request that the Commission approve their Attachment K revisions contemporaneously, to be effective April 1, 2020.

8. Filing Parties explain that, with the exception of the initial planning cycle, the proposed NorthernGrid regional transmission planning process has a two-year planning cycle. As proposed, the planning cycle will generally begin on January 1 of each even-numbered year with a submittal window that runs through March 31 of that year,<sup>12</sup> during which stakeholders submit data, including new proposed transmission projects, to address any need for transmission facilities of entities that enroll in the NorthernGrid transmission region. Using the submissions made during the first quarter, the Enrolled Parties Planning Committee (Planning Committee) then will develop a draft study scope to underlie the preparation of the NorthernGrid regional transmission plan. The Planning Committee will post the draft study scope to the NorthernGrid website and hold a public meeting where stakeholders will have the opportunity to provide comments on the draft study scope. Stakeholders will then have 60 days following the posting of the draft study scope to submit additional data or propose transmission solutions to meet regional needs. The Planning Committee will modify (as needed) and finalize the draft study scope after evaluating the additional data and transmission solutions provided by the Enrolled Parties

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<sup>10</sup> Filing Parties' individual filings contain a largely uniform transmittal letter and proposed Attachment K revisions. Given the uniformity, we cite to PacifiCorp's transmittal letter and proposed OATT when referencing Filing Parties' proposals. Where differences between or among the filings are addressed, we cite to the individual Filing Party's filings as appropriate.

<sup>11</sup> PacifiCorp Transmittal Letter at 2.

<sup>12</sup> The first NorthernGrid planning cycle will begin on April 1, 2020, with the submittal window running from April 1 through June 30, 2020.

and States Committee<sup>13</sup> and stakeholders.<sup>14</sup> Under the proposed process, the Planning Committee will evaluate whether there may be a combination of solutions that effectively satisfies transmission needs identified in the final study scope, and will then publish the draft regional transmission plan, which may be modified based on comments provided by the Enrolled Parties and States Committee, and by stakeholders.<sup>15</sup>

9. Filing Parties' proposed regional transmission planning process provides that, if cost allocation has been requested for a proposed transmission project that is identified as eligible to be selected for purposes of cost allocation, the cost allocation process will begin.<sup>16</sup> The Planning Committee and the Cost Allocation Task Force will document the analyses and results of the transmission planning and cost allocation processes, respectively, in the draft regional transmission plan. Following consideration of comments from the Enrolled Parties and States Committee and stakeholders, the Planning Committee will issue the regional transmission plan by the end of the planning cycle.<sup>17</sup>

10. Filing Parties assert that non-jurisdictional utilities with transmission facilities that interconnect with the Filing Parties' transmission systems, such as Bonneville Power Administration, will not enroll in NorthernGrid. Filing Parties note that a separate planning agreement has been created to provide coordinated transmission planning by and between public utilities and unenrolled non-jurisdictional utilities in a manner that is substantially similar to the planning that occurs under the proposed Attachment Ks, but without the cost allocation provisions. According to Filing Parties, this structure is substantially similar to ColumbiaGrid's existing structure, and does not affect the

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<sup>13</sup> The Enrolled Parties and States Committee is composed of representatives of the parties enrolled in NorthernGrid and states in which any party enrolling in the NorthernGrid transmission planning region provides retail load service. States may appoint representatives from agencies such as state utility commissions, state customer advocates, or state transmission siting agencies. The Enrolled Parties and States Committee convenes the Cost Allocation Task Force, reviews the drafts of the study scope and regional transmission plan, and operates independently of any other NorthernGrid committee. PacifiCorp OATT, Att. K, Ex. C (Enrolled Parties and States Committee Charter).

<sup>14</sup> *Id.* § 6.2.

<sup>15</sup> PacifiCorp Transmittal Letter at 5; PacifiCorp OATT, Att. K, §§ 6.3, 6.4 (10.0.0).

<sup>16</sup> PacifiCorp Transmittal Letter at 5; PacifiCorp OATT, Att. K, § 8.1.

<sup>17</sup> PacifiCorp Transmittal Letter at 6.

Commission-jurisdictional transmission planning process under the proposed Attachment Ks.<sup>18</sup>

11. Filing Parties indicate that unenrolled non-jurisdictional utilities will not be part of the NorthernGrid transmission region and will not be required to accept involuntary cost allocation, consistent with Order No. 1000's Regional Cost Allocation Principle 4.<sup>19</sup> However, as discussed in more detail below, Filing Parties' revised Attachment Ks will: (1) allow entities that are not enrolled in the NorthernGrid transmission planning region (including non-jurisdictional utilities) to voluntarily assume costs if a project sponsor selects the hybrid allocation option;<sup>20</sup> and (2) provide a process for becoming an enrolled party in NorthernGrid.<sup>21</sup>

12. Finally, Filing Parties state that their proposed Attachment Ks incorporate the existing, previously-accepted common language that NTTG, ColumbiaGrid, WestConnect, and the California Independent System Operator Corporation (CAISO) developed to address the interregional transmission coordination and cost allocation planning requirements of Order No. 1000.<sup>22</sup> Filing Parties also state that their proposed Attachment Ks incorporate ColumbiaGrid's implementation procedures with non-substantive modifications that replace ColumbiaGrid or NTTG with NorthernGrid. Filing Parties represent that CAISO and WestConnect were each notified in advance of the instant proceeding that should Filing Parties' proposed Attachment Ks be accepted, each will need to replace its Attachment K references to ColumbiaGrid and NTTG with NorthernGrid.<sup>23</sup>

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<sup>18</sup> *Id.* at 3.

<sup>19</sup> *Id.* (citing Order No. 1000, 136 FERC ¶ 61,051 at P 657).

<sup>20</sup> The hybrid allocation option allows for a 30-day negotiation period to arrange participant funding for a Preliminary Cost Allocation Project (i.e., a transmission project that is determined to be more efficient or cost-effective with a benefit-to-cost ratio greater than or equal to 1.25, and which is therefore eligible for regional cost allocation). PacifiCorp OATT, Att. K, § 8.5.4.

<sup>21</sup> *Id.* § 4.2.

<sup>22</sup> PacifiCorp Transmittal Letter at 32 (citing Order No. 1000, 136 FERC ¶ 61,051 at PP 346, 475).

<sup>23</sup> *Id.*

### **III. Notice and Responsive Pleadings**

13. Notice of Filing Parties' filings was published in the *Federal Register*, 85 Fed. Reg. 5950, 6150 (2020), with interventions and protests due on or before February 18, 2020.

14. Timely motions to intervene were filed by: Bonneville Power Administration (in all dockets); ColumbiaGrid (in Docket Nos. ER20-885-000 and ER20-888-000); Transmission Agency of Northern California (in Docket No. ER20-882-000); and Xcel Energy Services Inc. (in all dockets).

15. On March 4, 2020, LSP Transmission Holdings II, LLC (LS Power) filed a motion to intervene out-of-time and protest.

16. On March 12, 2020, Filing Parties filed a joint request for leave to answer and answer to LS Power's motion to intervene out-of-time and protest.

### **IV. Discussion**

#### **A. Procedural Matters**

17. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2019), the timely, unopposed motions to intervene serve to make the entities that filed them parties to the proceedings in which they were filed.

18. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2019), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We accept Filing Parties' answer because it has provided information that assisted us in our decision-making process.

19. In their answer, Filing Parties request that the Commission deny LS Power's motion to intervene out of time, asserting, among other things, that LS Power failed to demonstrate "good cause" for its late intervention, as required by Rule 214(b)(3) of the Commission's Rules of Practice and Procedure. We agree, and deny LS Power's late-filed motion to intervene. While we do not grant LS Power party status to these proceedings, we nonetheless address LS Power's protest below.

#### **B. Substantive Matters**

20. As discussed below, we find that Filing Parties' proposed Attachment Ks are just and reasonable and consistent with the regional transmission planning and cost allocation requirements of Order No. 1000. Accordingly, we accept Filing Parties' filings, to be effective April 1, 2020, as requested.



## 1. Regional Transmission Planning Requirements

21. Order No. 1000 requires each public utility transmission provider to participate in a regional transmission planning process that complies with the identified transmission planning principles of Order No. 890 and that, in consultation with stakeholders, results in the development of a regional transmission plan.<sup>24</sup> The regional transmission plan will identify transmission facilities that meet the region's reliability, economic, and Public Policy Requirements-related needs more efficiently or cost-effectively than solutions identified by individual public utility transmission providers in their local transmission planning processes.<sup>25</sup> A primary objective of the reforms in Order No. 1000 is to ensure that transmission planning processes at the regional level consider and evaluate, on a non-discriminatory basis, possible transmission alternatives and produce a transmission plan that can meet a transmission planning region's needs more efficiently and cost-effectively.<sup>26</sup>

### a. Transmission Planning Region

22. Order No. 1000 specifies that a transmission planning region is one in which public utility transmission providers, in consultation with stakeholders and affected states, have agreed to participate for purposes of regional transmission planning and development of a single regional transmission plan.<sup>27</sup> The scope of a transmission planning region should be governed by the integrated nature of the regional power grid and the particular reliability and resource issues affecting individual regions.<sup>28</sup> However, an individual public utility transmission provider cannot, by itself, satisfy the regional transmission planning requirements of Order No. 1000.<sup>29</sup>

23. In addition, Order No. 1000 requires that public utility transmission providers explain in their compliance filings how they will determine which transmission facilities evaluated in their local and regional transmission planning processes will be subject to

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<sup>24</sup> Order No. 1000, 136 FERC ¶ 61,051 at PP 6, 11, 146.

<sup>25</sup> *Id.* PP 11, 148.

<sup>26</sup> *Id.* PP 4, 6.

<sup>27</sup> *Id.* P 160.

<sup>28</sup> *Id.* P 160 (citing *Prevent Undue Discrimination and Preference in Transmission Service*, Order No. 890, 118 FERC ¶ 61,119 at P 527).

<sup>29</sup> *Id.* P 160.

the requirements of Order No. 1000.<sup>30</sup> Order No. 1000's requirements are intended to apply to new transmission facilities, which are those transmission facilities that are subject to evaluation, or reevaluation as the case may be, within a public utility transmission provider's local or regional transmission planning process after the effective date of the public utility transmission provider's compliance filing.<sup>31</sup> Each region must determine at what point a previously approved transmission project is no longer subject to reevaluation and, as a result, whether it is subject to these requirements.<sup>32</sup>

24. Order No. 1000-A states that public utility transmission providers in each transmission planning region must have a clear enrollment process that defines how entities, including non-public utility transmission providers, make the choice to become part of the transmission planning region.<sup>33</sup> Each public utility transmission provider (or regional transmission planning entity acting for all of the public utility transmission providers in its transmission planning region) must include in its OATT a list of all the public utility and non-public utility transmission providers that have enrolled as transmission providers in its transmission planning region.<sup>34</sup> A non-public utility transmission provider will not be considered to have made the choice to join a transmission planning region and thus be eligible to be allocated costs under the regional cost allocation method until it has enrolled in the transmission planning region.<sup>35</sup>

**i. Filing Parties' Filings**

25. Filing Parties state that the NorthernGrid transmission planning region is based on the transmission systems of its enrolled parties. Filing Parties explain that the NorthernGrid enrolled parties are the combined enrolled parties of ColumbiaGrid and NTTG, with the exception of Deseret Generation & Transmission Co-operative, Inc. (Deseret) and Utah Associated Municipal Power Systems (UAMPS), who are not enrolling in NorthernGrid. Filing Parties assert that the NorthernGrid region satisfies the

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<sup>30</sup> *Id.* PP 65, 162.

<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

<sup>33</sup> Order No. 1000-A, 139 FERC ¶ 61,132 at P 275.

<sup>34</sup> *Id.* P 275.

<sup>35</sup> *Id.* PP 276-277.

Commission's requirements because it merely combines the previously-accepted ColumbiaGrid and NTTG regions.<sup>36</sup>

26. Filing Parties state that their proposed Attachment Ks include language setting forth the requirements for resubmitting in the NorthernGrid planning process transmission projects that were identified in the prior regional transmission plan for which cost allocation was not requested, as well as resubmission requirements for transmission projects that were selected as cost allocation projects in ColumbiaGrid and NTTG.<sup>37</sup> However, Filing Parties explain that there are no cost allocation projects under consideration within either planning cycle that will need to be reevaluated in the first NorthernGrid planning cycle. Additionally, Filing Parties state that the NorthernGrid prequalification criteria are substantially similar to the NTTG criteria and anyone who prequalifies under the NTTG criteria will be allowed to transition to NorthernGrid without further prequalification criteria.<sup>38</sup>

27. Filing Parties state that their proposed Attachment Ks include eligibility requirements for enrollment, the process for enrollment, and a list of enrolled parties.<sup>39</sup> Under the proposed Attachment Ks, an entity is eligible for enrollment if it owns or operates (or proposes to own or operate) transmission facilities in the Western Interconnection in the United States and those transmission facilities are (or are proposed to be) interconnected with the transmission facilities of an enrolled party or a non-jurisdictional entity that conducts transmission planning with NorthernGrid.<sup>40</sup> The proposed Attachment K process for enrollment requires an entity to demonstrate eligibility, place into effect an Attachment K (or a consistent agreement if the entity is non-jurisdictional), and become a party to the NorthernGrid funding agreement.<sup>41</sup> Filing

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<sup>36</sup> PacifiCorp Transmittal Letter at 7 (citing *Avista Corp.*, 148 FERC ¶ 61,212, at PP 38, 41 (2014) (Second ColumbiaGrid Compliance Order); *PacifiCorp*, 143 FERC ¶ 61,151, at P 21 (2013) (First NTTG Compliance Order)).

<sup>37</sup> *Id.* at 8 (citing PacifiCorp OATT, Att. K, §§ 5.2.3.7, 5.2.3.8).

<sup>38</sup> *Id.* (citing PacifiCorp OATT, Att. K, § 5.1.2).

<sup>39</sup> *Id.* at 7 (citing PacifiCorp OATT, Att. K, §§ 4.1.1, 4.2.1, 4.2.2).

<sup>40</sup> PacifiCorp OATT, Att. K, § 4.2.1.

<sup>41</sup> *Id.* § 4.2.2.

Parties assert that these Attachment K provisions are consistent with the provisions the Commission accepted for ColumbiaGrid and NTTG.<sup>42</sup>

**ii. Commission Determination**

28. We find that the scope of the NorthernGrid transmission planning region, the description of facilities that will be subject to the requirements of Order No. 1000, and the enrollment process specified in Filing Parties' filings comply with the requirements of Order No. 1000.

29. With respect to the scope of the transmission planning region, NorthernGrid is comprised of the public utility transmission providers that are currently enrolled in the ColumbiaGrid and NTTG transmission planning regions, with the exception of Deseret.<sup>43</sup> We find that the NorthernGrid transmission planning region satisfies the geographic requirements set forth in Order No. 1000, which requires that the transmission planning region be governed by the integrated nature of the regional power grid.

30. We find that Filing Parties have identified which transmission facilities evaluated in their existing local and regional transmission planning processes will be subject to the NorthernGrid Order No. 1000 regional transmission planning process and have explained how they will evaluate transmission projects currently under consideration in the existing ColumbiaGrid and NTTG transmission planning processes. The proposed Attachment Ks provide the criteria for transmission projects selected in a prior regional transmission plan for purposes of cost allocation to be included in the NorthernGrid regional transmission planning process.<sup>44</sup> However, Filing Parties note that there are currently no transmission projects that have been selected in either the ColumbiaGrid or NTTG regional

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<sup>42</sup> PacifiCorp Transmittal Letter at 7 (citing Second ColumbiaGrid Compliance Order, 148 FERC ¶ 61,212 at PP 38, 42; *PacifiCorp*, 149 FERC ¶ 61,214, at P 16 (2014) (Third NTTG Compliance Order)).

<sup>43</sup> See PacifiCorp OATT, Att. K, §§ 1.32 (defining the Enrolled Region as being "comprised of the existing or proposed transmission facilities of any Enrolled Party and any proposed transmission facilities for which a Non-Incumbent Transmission Developer has properly submitted a Request for Cost Allocation"), 4.1.1 (identifying enrolled parties). Although Filing Parties' transmittal letters indicate that UAMPS is currently an enrolled party in NTTG that is not enrolling in NorthernGrid, the existing NTTG Attachment Ks do not list UAMPS as an enrolled member. PacifiCorp OATT, Att. K, § 3.2.3.5 (8.0.0).

<sup>44</sup> PacifiCorp OATT, Att. K, § 5.2.3.8.

transmission plans for purposes of cost allocation.<sup>45</sup> With regard to transmission projects for which the sponsor does not intend to request cost allocation, the proposed Attachment Ks provide criteria for resubmitting those transmission projects.<sup>46</sup>

31. Further, we find that Filing Parties' proposed Attachment Ks include a clear enrollment process that defines how entities, including non-public utility transmission providers, make the choice to become part of the transmission planning region. As described above, the proposed Attachment Ks set forth the eligibility criteria for enrolling in NorthernGrid and the requirements associated with the enrollment process.<sup>47</sup> Additionally, the proposed Attachment Ks include a list of the entities that are enrolling in NorthernGrid.<sup>48</sup>

**b. Order No. 890 and other Regional Transmission Planning Process General Requirements**

32. Order No. 1000 requires that each public utility transmission provider participate in a regional transmission planning process that produces a regional transmission plan and that complies with certain transmission planning principles of Order No. 890 identified in Order No. 1000.<sup>49</sup> The process used to produce the regional transmission plan must satisfy the following Order No. 890 transmission planning principles: (1) coordination; (2) openness; (3) transparency; (4) information exchange; (5) comparability; (6) dispute resolution; and (7) economic planning.<sup>50</sup> These transmission planning principles, which were adopted with respect to local transmission planning processes pursuant to Order No. 890, must now be applied to the regional transmission planning processes established in Order No. 1000. We will assess the Filing Parties' compliance with each of these principles individually.

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<sup>45</sup> PacifiCorp Transmittal Letter at 8.

<sup>46</sup> PacifiCorp OATT, Att. K, § 5.2.3.7.

<sup>47</sup> *Id.* §§ 4.2.1, 4.2.2.

<sup>48</sup> *Id.* § 4.1.1.

<sup>49</sup> Order No. 1000, 136 FERC ¶ 61,051 at PP 146, 151.

<sup>50</sup> *Id.* P 151. These transmission planning principles are explained more fully in Order No. 890.

**i. Coordination**

33. The coordination principle requires public utility transmission providers to provide customers and other stakeholders with the opportunity to participate fully in the planning process. The purpose of this requirement is to eliminate the potential for undue discrimination in planning by opening appropriate lines of communication between public utility transmission providers, their transmission-providing neighbors, affected state authorities, customers, and other stakeholders. The planning process must provide for the timely and meaningful input and participation of customers and other stakeholders regarding the development of transmission plans, allowing customers and other stakeholders to participate in the early stages of development.<sup>51</sup>

**(a) Filing Parties' Filings**

34. Filing Parties state that their proposed Attachment Ks provide for public meetings that are open to all stakeholders, including transmission customers and interconnected neighbors, and at least one annual interregional coordination meeting.<sup>52</sup> Filing Parties also note that, in response to the December 2019 Order, their proposed Attachment Ks: (1) provide stakeholders and the Enrolled Parties and States Committee the same opportunities for review and comment on the draft study scope, draft regional transmission plan, and draft final regional transmission plan; (2) make all meetings of the Cost Allocation Task Force public; and (3) allow for stakeholders to participate and comment both during and after Cost Allocation Task Force meetings.<sup>53</sup>

**(b) Commission Determination**

35. We find that Filing Parties' filings comply with the coordination principle because the proposed NorthernGrid regional transmission planning process provides stakeholders the ability to participate on a meaningful and timely basis, including at the early stages of development of the regional transmission plan. For example, stakeholders have an opportunity to provide input into the development of the draft study scope, draft regional transmission plan, and final regional transmission plan, including in the work performed by the Cost Allocation Task Force.

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<sup>51</sup> Order No. 890, 118 FERC ¶ 61,119 at PP 451-54.

<sup>52</sup> PacifiCorp Transmittal Letter at 10 (citing PacifiCorp OATT, Att. K, §§ 4.5, 6.2, 6.4, 9.2, 10.3).

<sup>53</sup> *Id.* at 9 (citing PacifiCorp OATT, Att. K, §§ 6.2, 6.4, 8.5.5, 9.2, Ex. A § 3.1).

## **ii. Openness**

36. The openness principle requires that transmission planning meetings be open to all affected parties including, but not limited to, all transmission and interconnection customers, state authorities, and other stakeholders. Although the Commission recognized in Order No. 890 that it may be appropriate in certain circumstances to limit participation in a meeting to a subset of parties, such as a particular meeting of a sub-regional group, the Commission emphasized that the overall development of the transmission plan and the planning process must remain open. Public utility transmission providers, in consultation with affected parties, must also develop mechanisms to manage confidentiality and Critical Energy Infrastructure Information (CEII) concerns, such as confidentiality agreements and password protected access to information.<sup>54</sup>

### **(a) Filing Parties' Filings**

37. Filing Parties state that, in response to the Commission's concerns in the December 2019 Order, Filing Parties revised their proposed Attachment Ks as discussed above. Filing Parties explain that their proposed Attachment Ks provide for stakeholder meetings and comments at each stage of the planning process, including public meetings for review of: (1) the draft study scope; (2) regional transmission projects selected into the draft regional transmission plan; (3) the results of the cost allocation process selection in the draft regional transmission plan; and (4) the draft final regional transmission plan.<sup>55</sup>

38. Filing Parties indicate that, in line with Commission precedent for NTTG,<sup>56</sup> notice of public planning meetings will be posted to the NorthernGrid website at least seven days prior to such meetings. Additionally, Filing Parties state that both Planning Committee meetings and Enrolled Parties and States Committee meetings will be publicly accessible.<sup>57</sup>

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<sup>54</sup> Order No. 890, 118 FERC ¶ 61,119 at P 460.

<sup>55</sup> PacifiCorp Transmittal Letter at 10 (citing PacifiCorp OATT, Att. K, §§ 6.2, 6.4, 8.4.5, 9.2).

<sup>56</sup> Third NTTG Compliance Order, 149 FERC ¶ 61,214 at P 27.

<sup>57</sup> PacifiCorp Transmittal Letter at 10-11 (citing PacifiCorp OATT, Att. K, Ex. B § 2.3).

39. Finally, as revised, the proposed Attachment Ks also permit information requests consistent with defined CEII and confidentiality requirements.<sup>58</sup>

**(b) Commission Determination**

40. We find that Filing Parties' filings comply with the openness principle set forth in Order Nos. 890 and 1000 because the proposed NorthernGrid transmission planning meetings are accessible to all affected parties and include a process for the management of confidentiality and CEII concerns.

**iii. Transparency**

41. The transparency principle requires public utility transmission providers to reduce to writing and make available the basic methodology, criteria, and processes used to develop transmission plans, including how they treat retail native loads, in order to ensure that standards are consistently applied. To that end, each public utility transmission provider must describe in its planning process the method(s) it will use to disclose the criteria, assumptions and data that underlie its transmission system plans. The transparency principle requires that sufficient information be made available to enable customers, other stakeholders, and independent third parties to replicate the results of planning studies and thereby reduce the incidence of after-the-fact disputes regarding whether planning has been conducted in an unduly discriminatory fashion.<sup>59</sup>

**(a) Filing Parties' Filings**

42. Filing Parties indicate that they will post the study scope to the NorthernGrid website, inclusive of the following information: (1) transmission projects submitted and data gathered; (2) any transmission projects committed to within the previous planning cycle; (3) detailed study methodology; (4) reliability criteria to be evaluated; (5) Enrolled Party Needs,<sup>60</sup> including those driven by Public Policy Requirements; (6) assumptions; (7) baseline projects of enrolled parties (enrolled parties local transmission plans plus transmission projects included in the previous regional transmission plan that are being reevaluated); (8) alternative projects (sponsored projects, interregional transmission projects, merchant projects, and unsponsored projects) under consideration, including non-transmission alternatives; (9) databases to be utilized; and (10) evaluation

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<sup>58</sup> *Id.* at 11 (citing PacifiCorp OATT, Att. K, § 4.7.2).

<sup>59</sup> Order No. 890, 118 FERC ¶ 61,119 at P 471.

<sup>60</sup> Enrolled Party Needs are defined and described below.



scenarios.<sup>61</sup> Filing Parties state that this information is similar to the information that satisfied the transparency requirement in NTTG.<sup>62</sup>

**(b) Commission Determination**

43. We find that Filing Parties' filings comply with the transparency principle because they define the basic methodology, criteria, and processes used to develop transmission plans in a manner that could be replicated by stakeholders and independent third parties. Additionally, the information NorthernGrid will post to its website is similar to the information NTTG currently provides,<sup>63</sup> which the Commission previously found satisfied the transparency requirement.<sup>64</sup>

**iv. Information Exchange**

44. The information exchange principle requires network customers to submit information on their projected loads and resources on a comparable basis (e.g., planning horizon and format) as used by public utility transmission providers in planning for their native load. Point-to-point customers are required to submit their projections for need of service over the planning horizon and at what receipt and delivery points. To the extent applicable, transmission customers should also provide information on existing and planned demand resources and their impact on demand and peak demand. Public utility transmission providers, in consultation with their customers and other stakeholders, are to develop guidelines and a schedule for the submittal of such customer information.<sup>65</sup>

**(a) Filing Parties' Filings**

45. Filing Parties state that during the submittal window, each enrolled party is required to provide: (1) its local transmission plan and data for any local transmission project that is to be evaluated by the Planning Committee; (2) any local transmission project for which it is identifying and submitting appropriate evidence to be evaluated by the Planning Committee for possible classification as a committed project; (3) data used to develop its local transmission plan, including projections of network customer loads

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<sup>61</sup> PacifiCorp Transmittal Letter at 11-12 (citing PacifiCorp OATT, Att. K, § 6.1).

<sup>62</sup> *Id.* at 12 (citing First NTTG Compliance Order, 143 FERC ¶ 61,151 at P 47).

<sup>63</sup> *Cf.* PacifiCorp OATT, Att. K, § 3.7.3.2 (8.0.0) *with* PacifiCorp OATT, Att. K, § 6.1 (10.0.0).

<sup>64</sup> First NTTG Compliance Order, 143 FERC ¶ 61,151 at P 47.

<sup>65</sup> Order No. 890, 118 FERC ¶ 61,119 at PP 486-487.

and resources, projected point-to-point transmission service forecast information, existing and planned demand response resources; (4) updates to previously submitted data; (5) Enrolled Party Needs, including needs driven by Public Policy Requirements; and (6) any other transmission project an enrolled party intends to propose for evaluation in

the planning cycle, including any non-transmission alternatives or conceptual solutions.<sup>66</sup> Filing Parties state that this information is similar to the information that satisfied the information exchange requirement in NTTG.<sup>67</sup>

**(b) Commission Determination**

46. We find that Filing Parties' filings comply with the information exchange principle because their proposed Attachment Ks require the enrolled parties to provide the Planning Committee with their local transmission plan and the relevant information required, such as customer load forecasts, projected service information, and existing and planned demand response resources.

**v. Comparability**

47. The comparability principle requires public utility transmission providers, after considering the data and comments supplied by customers and other stakeholders, to develop a transmission system plan that meets the specific service requests of their transmission customers and otherwise treats similarly-situated customers (e.g., network and retail native load) comparably in transmission system planning.<sup>68</sup> In addition, public utility transmission providers must identify, as part of their transmission planning processes, how they will treat resources on a comparable basis, and therefore, how they will determine comparability for purposes of transmission planning.<sup>69</sup> Furthermore, public utility transmission providers are required to identify how they will evaluate and select from competing solutions and resources such that all types of resources are considered on a comparable basis.<sup>70</sup>

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<sup>66</sup> PacifiCorp Transmittal Letter at 12-13 (citing PacifiCorp OATT, Att. K, § 5.2.2).

<sup>67</sup> *Id.* at 13 (citing *PacifiCorp*, 147 FERC ¶ 61,057, at P 34 (2014) (Second NTTG Compliance Order)).

<sup>68</sup> Order No. 890, 118 FERC ¶ 61,119 at P 494.

<sup>69</sup> Order No. 890-A, 121 FERC ¶ 61,297 at P 216.

<sup>70</sup> See, e.g., *NorthWestern Corp.*, 128 FERC ¶ 61,040, at P 38 (2009) (*Northwestern*) (requiring the transmission provider's OATT to permit sponsors of transmission, generation, and demand resources to propose alternative solutions to identified needs and identify how the transmission provider will evaluate competing solutions when determining what facilities will be included in its transmission plan); *El Paso Elec. Co.*, 128 FERC ¶ 61,063, at P 15 (2009) (*El Paso*) (same); *N. Y. Indep. Sys. Operator, Inc.*, 129 FERC ¶ 61,044, at P 35 (2009) (*NYISO*) (same). In each of these cases, the

**(a) Filing Parties' Filings**

48. Filing Parties state that their proposed Attachment Ks provide that the Planning Committee evaluate combinations of baseline projects of enrolled parties and alternative projects to identify whether there may be a combination that effectively satisfies all Enrolled Party Needs.<sup>71</sup> Filing Parties state that this is consistent with the NTTG process of evaluating change cases.<sup>72</sup> In addition, Filing Parties state that costs are primarily considered during the cost allocation phase. Filing Parties also state that the Cost Allocation Task Force evaluates transmission projects for cost allocation consideration to determine whether any such projects are a more efficient or cost-effective solution to an Enrolled Party Need,<sup>73</sup> and in doing so, the Cost Allocation Task Force considers factors which include but are not limited to feasibility, economics, effectiveness of performance, and satisfaction of an Enrolled Party Need.<sup>74</sup>

**(b) Commission Determination**

49. We find that Filing Parties' filings comply with the comparability principle. Specifically, we find that, under the proposed process, NorthernGrid will develop a transmission system plan that meets the specific service requests of transmission customers and treats similarly-situated customers comparably. Further, the proposed transmission planning process identifies how stakeholders may propose alternative solutions, and provides that all stakeholder submissions will be evaluated on a comparable basis. The proposed Attachment Ks indicate that, in developing the draft regional transmission plan, the Planning Committee will evaluate combinations of baseline projects of enrolled parties and alternative solutions to identify whether there

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Commission stated that tariff language could, for example, state that solutions will be evaluated against each other based on a comparison of their relative economics and effectiveness of performance. Although the particular standard a public utility transmission provider uses to perform this evaluation can vary, the Commission explained that it should be clear from the tariff language how one type of investment would be considered against another and how the public utility transmission provider would choose one resource over another or a competing proposal. *Northwestern*, 128 FERC ¶ 61,040 at P 38 n.31; *El Paso*, 128 FERC ¶ 61,063 at P 15 n.25; *NYISO*, 129 FERC ¶ 61,044 at P 35 n.26.

<sup>71</sup> PacifiCorp Transmittal Letter at 13 (citing PacifiCorp OATT, Att. K, § 6.3).

<sup>72</sup> *Id.* at 13.

<sup>73</sup> *Id.* (citing PacifiCorp OATT, Att. K, § 8.3).

<sup>74</sup> *Id.* at 14 (citing PacifiCorp OATT, Att. K, § 8.3).

may be a combination that effectively satisfies all Enrolled Party Needs. In addition, transmission projects selected for cost allocation consideration will be evaluated against each other based on a comparison of their relative economics and effectiveness of performance.

**vi. Dispute Resolution**

50. The dispute resolution principle requires public utility transmission providers to identify a process to manage disputes that arise from the regional planning process. In order to facilitate resolution of all disputes related to planning activities, a public utility transmission provider's dispute resolution process must be available to address both procedural and substantive planning issues.<sup>75</sup>

**(a) Filing Parties' Filings**

51. Under the proposed Attachment Ks, the dispute resolution process is available to transmission providers and any enrolled party, non-incumbent transmission developer, interregional transmission project proponent, merchant transmission developer, eligible customer, or stakeholder that participates in the local or regional planning process.<sup>76</sup>

52. Under the dispute resolution process, disputing entities should submit written notice of their dispute to the chairs of the Planning Committee or the transmission provider (if the dispute pertains to the local planning process) by completing a dispute resolution form, which is available on the NorthernGrid website, in accordance with the instructions contained on the form. A representative from the disputing entity is required to participate in good faith negotiations with the chairs of the Planning Committee or a representative from the transmission provider.

53. If the disputing party representative and the chairs or transmission provider representative are unable to resolve the dispute by mutual agreement within 30 calendar days of the written notice of dispute, or such other period as the parties mutually agree upon, the parties may use an agreed-upon third-party, or the Commission's dispute resolution service, to facilitate mediation to resolve the dispute. If the dispute remains unresolved, the disputing entity may invoke the arbitration procedures set out in Article 12 of the *pro forma* OATT to resolve the dispute.

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<sup>75</sup> Order No. 890, 118 FERC ¶ 61,119 at P 501.

<sup>76</sup> PacifiCorp OATT, Att. K, § 13.1.

54. Finally, to facilitate the timely completion of the local transmission plan and regional transmission plan, disputes must be raised no more than 30 calendar days after a decision is made in the study process or the posting of a document, whichever is earlier.<sup>77</sup>

**(b) Commission Determination**

55. We find that Filing Parties' filings comply with the dispute resolution principle. Filing Parties have included dispute resolution procedures in their proposed Attachment Ks, which explain the step-by-step process of how disputes will be resolved by the Planning Committee. Filing Parties' dispute resolution procedures facilitate resolution of all disputes related to regional transmission planning activities and are available to address both procedural and substantive transmission planning issues.

**vii. Economic Planning Studies**

56. The economic planning studies principle requires public utility transmission providers to account for economic, as well as reliability, considerations in the transmission planning process. The economic planning principle is designed to ensure that economic considerations are adequately addressed when planning for OATT customers as well. The principle requires that the scope of economic studies should not be limited to individual requests for transmission service. Customers must be given the opportunity to obtain studies that evaluate potential upgrades or other investments that could reduce congestion or integrate new resources and loads on an aggregated or regional basis.<sup>78</sup>

**(a) Filing Parties' Filings**

57. Filing Parties state that their proposed Attachment Ks provide for one regional economic study and one local economic study during each year of the two-year planning cycle,<sup>79</sup> while additional studies may be performed at the cost of the requestor.<sup>80</sup> Filing Parties explain that, at the regional level, the Planning Committee will develop studies based on the study requests, including aggregation and clustering of the requests, if appropriate.<sup>81</sup> Filing Parties note that the study prioritization and studies will be made

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<sup>77</sup> *Id.* § 13.3.

<sup>78</sup> Order No. 890, 118 FERC ¶ 61,119 at PP 542-43.

<sup>79</sup> PacifiCorp OATT, Att. K, § 12.1.

<sup>80</sup> *Id.* § 12.3.

<sup>81</sup> *Id.* § 12.3(c).

available through the NorthernGrid website.<sup>82</sup> Filing Parties state that the regional economic study process was adapted to the local transmission planning process by limiting the scope of the local study to the “Transmission Provider’s Transmission System,” which Filing Parties assert is similar to the process the Commission accepted for ISO New England, Inc. (ISO-NE).<sup>83</sup>

**(b) Commission Determination**

58. We find that Filing Parties’ filings comply with the economic planning studies principle because, as described above, the transmission planning process will account for economic considerations. Filing Parties also describe the process through which regional economic studies may be requested by stakeholders and eligible customers. In addition, Filing Parties describe the process by which regional or local economic planning studies will be prioritized in the instance that more than one study is requested.<sup>84</sup>

**c. Requirement to Plan on a Regional Basis to Identify More Efficient or Cost-Effective Transmission Solutions**

59. Through the regional transmission planning process, public utility transmission providers must evaluate, in consultation with stakeholders, alternative transmission solutions that might meet the needs of the transmission planning region more efficiently or cost-effectively than solutions identified by individual public utility transmission providers in their local transmission planning process.<sup>85</sup> Public utility transmission providers have the flexibility to develop, in consultation with stakeholders, procedures by which the public utility transmission providers in the region identify and evaluate the set of potential solutions that may meet the region’s needs more efficiently or cost-effectively.<sup>86</sup> In addition, whether or not public utility transmission providers within a transmission planning region select a transmission facility in the regional transmission plan for purposes of cost allocation will depend in part on their combined view of

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<sup>82</sup> *Id.* §§ 12.3(f), 12.5.

<sup>83</sup> *Id.* § 12.2.2 (citing ISO-NE Transmission, Markets and Service Tariff, §§ 2.2, 4.1).

<sup>84</sup> *Id.* § 12.3.

<sup>85</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 148.

<sup>86</sup> *Id.* P 149.

whether the transmission facility is a more efficient or cost-effective solution to their needs.<sup>87</sup>

60. Public utility transmission providers in each transmission planning region, in consultation with stakeholders, must propose what information and data a merchant transmission developer<sup>88</sup> must provide to the regional transmission planning process to allow the public utility transmission providers in the transmission planning region to assess the potential reliability and operational impacts of the merchant transmission developer's proposed transmission facilities on other systems in the region.<sup>89</sup>

61. Finally, the regional transmission planning process developed by public utility transmission providers, in consultation with stakeholders, must result in a regional transmission plan that reflects the determination of the set of transmission facilities that more efficiently or cost-effectively meet the region's needs.<sup>90</sup> Order No. 1000 does not require that the resulting regional transmission plan be filed with the Commission.

**i. Filing Parties' Filings**

62. Filing Parties assert that they have established a thorough process by which to evaluate and identify regional transmission projects, including proposals unsponsored by a potential developer that are instead identified by the Planning Committee.<sup>91</sup> Filing Parties explain that the study scope will be used to identify any regional transmission solution that satisfies identified transmission needs, and for NorthernGrid to consider combinations of baseline projects and alternative solutions which might effectively satisfy the transmission needs. Filing Parties state that this proposal sets forth an affirmative obligation to identify transmission solutions that more efficiently or cost-effectively meet reliability requirements, address economic considerations, and meet transmission needs driven by public policy requirements. Filing Parties also state that the

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<sup>87</sup> *Id.* P 331.

<sup>88</sup> Order No. 1000 defines merchant transmission projects as projects "for which the costs of constructing the proposed transmission facilities will be recovered through negotiated rates instead of cost-based rates." *Id.* P 119. The Commission noted in Order No. 1000 that "a merchant transmission developer assumes all financial risk for developing its transmission project and constructing the proposed transmission facilities." *Id.* P 163.

<sup>89</sup> *Id.* P 164; Order No. 1000-A, 139 FERC ¶ 61,132 at PP 297-98.

<sup>90</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 147.

<sup>91</sup> PacifiCorp Transmittal Letter at 15 (citing PacifiCorp OATT, Att. K, § 6).



“more efficient or cost effective” standard is used if cost allocation is requested, which Filing Parties note is consistent with the process in ColumbiaGrid.<sup>92</sup>

63. In response to the December 2019 Order, Filing Parties explain that, under the proposed regional transmission planning process, after the draft study scope has been posted, there will be a 60-day period for stakeholders to submit additional data and transmission project proposals for evaluation as part of the draft regional transmission plan. Filing Parties state that the Planning Committee will make appropriate edits to the study scope after considering the additional data and transmission projects.<sup>93</sup>

64. Furthermore, Filing Parties state that they will use a 10-year planning horizon, which is the same planning horizon the Commission accepted for NTTG.<sup>94</sup> Filing Parties indicate that their proposed Attachment Ks provide for two committees that will hold public meetings: the Planning Committee and the Enrolled Parties and States Committee.<sup>95</sup> Filing Parties state that, in response to the December 2019 Order, stakeholders are permitted to attend Cost Allocation Task Force meetings and may submit comments either during these meetings or up to seven days afterwards.<sup>96</sup> Filing Parties contend that the provisions for state involvement in the Planning Committee and Cost Allocation Task Force are similar to current provisions in NTTG.<sup>97</sup> Additionally, Filing Parties state that they filed the charters outlining the governance structures for the Planning Committee, the Enrolled Parties and States Committee, and the Cost Allocation Task Force.<sup>98</sup>

65. Filing Parties state that their proposed Attachment Ks allow merchant transmission developers to participate in the planning cycle.<sup>99</sup> Filing Parties explain that merchant transmission developers must either execute the NorthernGrid funding agreement or the

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<sup>92</sup> *Id.* at 15-16 (citing Avista Att. K, Pt IV §§ 4.3, 5.3; *Avista Corp.*, 151 FERC ¶ 61,127, at PP 78, 81 (2015) (Third ColumbiaGrid Compliance Order)).

<sup>93</sup> *Id.* at 22.

<sup>94</sup> *Id.* at 16 (citing First NTTG Compliance Order, 143 FERC ¶ 61,151 at P 91).

<sup>95</sup> *Id.* at 16 (citing PacifiCorp OATT, Att. K, Exs. B, C).

<sup>96</sup> *Id.* at 16-17 (citing PacifiCorp OATT, Att. K, § 8.5.5, Ex. A § 3.1).

<sup>97</sup> *Id.* at 17 (citing Second NTTG Compliance Order, 147 FERC ¶ 61,057 at P 62).

<sup>98</sup> *Id.* at 16; PacifiCorp OATT, Att. K, Exs. A, B, C.

<sup>99</sup> PacifiCorp Transmittal Letter at 17 (citing PacifiCorp OATT, Att. K, § 4.4).

non-enrolled developer agreement, which includes a \$10,000 study fee. Filing Parties state that their proposed Attachment Ks set forth the process for submitting a merchant transmission project, which includes data requirements similar to those in NTTG.<sup>100</sup>

**ii. Protest**

66. LS Power contends that Filing Parties' filings fail to address the concern expressed in the December 2019 Order with regard to providing transmission developers with a reasonable opportunity to submit transmission project proposals after local and regional needs are identified and made available to stakeholders through the regional transmission planning process. LS Power argues that Filing Parties' proposed 60-day opportunity to submit additional data will not provide the meaningful opportunity required by the December 2019 Order because the draft study scope still does not identify regional needs. LS Power asserts that requiring developers to propose transmission projects before regional needs have been identified and posted is unlikely to lead to the identification of the more efficient or cost-effective regional solution, and therefore Filing Parties fail to provide transmission developers a meaningful opportunity to submit proposals and have those proposals evaluated for possible selection in the regional transmission plan for purposes of cost allocation.<sup>101</sup>

**iii. Answer**

67. Filing Parties state that LS Power's protest is without merit. Filing Parties explain that the Planning Committee will identify Enrolled Party Needs in developing the study scope, including needs driven by Public Policy Requirements, and assert that while Enrolled Party Needs are not labeled "regional needs," they are the needs identified within the enrolled region that are to be evaluated in the applicable planning cycle.<sup>102</sup> Filing Parties note that they added a new 60-day window after posting the draft study scope for stakeholders to submit additional data, which provides a meaningful opportunity for transmission developers to submit project proposals after Enrolled Party Needs have been identified. Filing Parties add that their filings provide an opportunity for such projects to be evaluated for selection in the regional transmission plan for purposes of cost allocation.

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<sup>100</sup> *Id.* at 17 (citing PacifiCorp OATT, Att. K, §§ 5.2.3.4, 5.2.3.5; Second NTTG Compliance Order, 147 FERC ¶ 61,057 at P 66).

<sup>101</sup> LS Power Protest at 2-4.

<sup>102</sup> Filing Parties Answer at 7-8.

**iv. Commission Determination**

68. We find that the regional transmission planning processes specified in Filing Parties' filings comply with Order No. 1000's requirement to plan on a regional basis to identify more efficient or cost-effective solutions.

69. First, we find that the Filing Parties' proposal provides for the evaluation of alternative transmission solutions that might meet the needs of the transmission planning region more efficiently or cost-effectively than solutions identified by individual public utility transmission providers in their local transmission planning process. We also find, contrary to LS Power's protest, that Filing Parties' current proposal addresses the Commission's finding in the December 2019 Order that their earlier proposal did not provide transmission developers a reasonable opportunity to submit transmission project proposals after transmission needs are identified through the regional transmission planning process.<sup>103</sup> We find that NorthernGrid has addressed this concern here by ensuring the transmission needs of the enrolled parties are included in the draft study scope,<sup>104</sup> along with enrolled parties' local transmission plans and individual transmission projects, projected network loads and resources, transmission service forecasts, and any non-transmission alternatives and conceptual solutions that enrolled parties intend to propose for evaluation.<sup>105</sup> Following posting of the draft study scope, developers have a 60-day window to propose transmission projects to address the identified transmission needs.<sup>106</sup> We find that this proposal adequately addresses the Commission's concern in the December 2019 Order.

70. We also find that the proposed regional transmission planning process complies with Order No. 1000's requirement to conduct a regional analysis to identify whether there are more efficient or cost-effective transmission solutions to regional transmission needs, including an affirmative obligation to analyze whether such transmission solutions exist regardless of whether potential transmission solutions have been proposed by transmission developers or stakeholders. In particular, the proposed regional transmission planning process provides that NorthernGrid will evaluate combinations of solutions to identify whether there may be a combination that effectively satisfies Enrolled Party Needs.

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<sup>103</sup> December 2019 Order, 169 FERC ¶ 61,249 at PP 24-26.

<sup>104</sup> PacifiCorp OATT, Att. K, §§ 5.2.2(v), 6.1(e).

<sup>105</sup> The draft study scope also includes projects by non-incumbent developers and merchant transmission developers.

<sup>106</sup> PacifiCorp OATT, Att. K, § 6.2.

71. Additionally, we find that Filing Parties' incorporation into their respective OATTs of the Planning Committee, Enrolled Parties and States Committees, and Cost Allocation Task Force charters complies with the requirement that, if public utility transmission providers in a transmission planning region, in consultation with stakeholders, decide to establish formal stakeholder governance procedures, such as voting measures, they should include these in their Order No. 1000 compliance filings.<sup>107</sup> The charters: (1) define the purpose and limitations, membership, meeting and voting, and other requirements of the respective committees that will govern the selection of transmission projects in the regional transmission plan for purposes of cost allocation; and (2) detail the voting procedures that will govern the approval of the regional transmission plan.

72. We find that Filing Parties' proposed data submittal requirements for merchant transmission developers comply with the requirements of Order No. 1000. Filing Parties' proposed data submittal requirements ensure that merchant transmission developers will provide adequate information and data to allow public utility transmission providers in the transmission planning region to assess the potential reliability and operational impacts of the merchant transmission developer's proposed transmission facilities on systems in the region.

73. Finally, we find that Filing Parties' proposal satisfies Order No. 1000's requirement that the regional transmission planning process developed by public utility transmission providers, in consultation with stakeholders, must result in a regional transmission plan that reflects the determination of the set of transmission facilities that more efficiently or cost-effectively meet the region's needs. We also accept NorthernGrid's proposed 10-year planning horizon. The Commission has previously accepted a 10-year planning horizon as a reasonable timeframe for use in the regional transmission planning process, as NorthernGrid has proposed here.<sup>108</sup>

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

74. Order No. 1000 requires public utility transmission providers to amend their OATTs to describe procedures that provide for the consideration of transmission needs driven by Public Policy Requirements in the local and regional transmission planning processes.<sup>109</sup> The Commission clarified in Order No. 1000-A that Order No. 1000 requires that transmission needs driven by Public Policy Requirements be considered just

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<sup>107</sup> Order No. 1000-A, 139 FERC ¶ 61,132 at P 269.

<sup>108</sup> First NTTG Compliance Order, 143 FERC ¶ 61,151 at P 91.

<sup>109</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 203.

as transmission needs driven by reliability or economic concerns are also considered.<sup>110</sup> Public Policy Requirements are requirements established by local, state or federal laws or regulations (i.e., enacted statutes passed by the legislature and signed by the executive and regulations promulgated by a relevant jurisdiction, whether within a state or at the federal level).<sup>111</sup> As explained further below, Order No. 1000 specifies that the consideration of transmission needs driven by Public Policy Requirements means: (1) the identification of transmission needs driven by Public Policy Requirements; and (2) the evaluation of potential solutions to meet those identified needs.<sup>112</sup>

75. To comply with the requirement to identify transmission needs driven by Public Policy Requirements, public utility transmission providers, in consultation with their stakeholders, must establish procedures in their OATTs to identify at the local and regional level those transmission needs driven by Public Policy Requirements for which potential transmission solutions will be evaluated.<sup>113</sup> The process for identifying transmission needs driven by Public Policy Requirements must allow stakeholders, including, but not limited to, those responsible for complying with the Public Policy Requirements at issue and the developers of potential transmission facilities that are needed to comply with one or more Public Policy Requirements, an opportunity to provide input and to offer proposals regarding the transmission needs they believe are driven by Public Policy Requirements.<sup>114</sup> Public utility transmission providers must explain in their filings how the procedures adopted give all stakeholders a meaningful opportunity to submit what the stakeholders believe are transmission needs driven by Public Policy Requirements.<sup>115</sup>

76. In addition, public utility transmission providers, in consultation with stakeholders, must establish a just and reasonable and not unduly discriminatory process through which public utility transmission providers will identify, out of this larger set of needs, those

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<sup>110</sup> Order No. 1000-A, 139 FERC ¶ 61,132 at PP 204, 206, 208-11, 317-19.

<sup>111</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 2. Order No. 1000-A clarified that Public Policy Requirements included local laws and regulations passed by a local governmental entity, such as a municipal or county government. Order No. 1000-A, 139 FERC ¶ 61,132 at P 319.

<sup>112</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 205.

<sup>113</sup> *Id.* PP 206, 207.

<sup>114</sup> *Id.* PP 207, 208.

<sup>115</sup> Order No. 1000-A, 139 FERC ¶ 61,132 at P 335.

needs for which transmission solutions will be evaluated.<sup>116</sup> Public utility transmission providers must explain in their filings how their open and transparent transmission planning process determines whether to move forward regarding transmission needs driven by Public Policy Requirements.<sup>117</sup> In addition, each public utility transmission provider must post on its website an explanation of: (1) those transmission needs driven by Public Policy Requirements that have been identified for evaluation for potential solutions in the local and regional transmission planning processes; and (2) how other transmission needs driven by Public Policy Requirements introduced by stakeholders were considered during the identification stage and why they were not selected for further evaluation.<sup>118</sup>

77. To comply with the requirement to evaluate potential solutions to meet the identified transmission needs driven by Public Policy Requirements, public utility transmission providers, in consultation with stakeholders, must also establish procedures in their OATTs to evaluate at the local and regional level potential solutions to identified transmission needs driven by Public Policy Requirements.<sup>119</sup> These procedures must include the evaluation of transmission facilities stakeholders propose to satisfy an identified transmission need driven by Public Policy Requirements.<sup>120</sup> Stakeholders must be provided an opportunity to provide input during the evaluation of potential solutions to identified needs.<sup>121</sup> In addition, the Commission and stakeholders must be able to review the record that is created by the process to help ensure that the identification and evaluation decisions are open and fair, and not unduly discriminatory or preferential.<sup>122</sup> The Commission will review the proposed evaluation procedures to ensure they comply with the objective of meeting the identified transmission needs more efficiently or cost-effectively.<sup>123</sup>

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<sup>116</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 209.

<sup>117</sup> Order No. 1000-A, 139 FERC ¶ 61,132 at P 335.

<sup>118</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 209; *see also* Order No. 1000-A, 139 FERC ¶ 61,132 at P 325.

<sup>119</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 211.

<sup>120</sup> *Id.* P 211.

<sup>121</sup> *Id.* P 220.

<sup>122</sup> Order No. 1000-A, 139 FERC ¶ 61,132 at P 321.

<sup>123</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 211.

78. Public utility transmission providers must amend their OATTs to describe procedures that provide for the consideration of transmission needs driven by Public Policy Requirements in the local and regional transmission planning processes.<sup>124</sup> There are no restrictions on the type or number of Public Policy Requirements to be considered as long as any such requirements arise from local, state, or federal laws or regulations that drive transmission needs and as long as the requirements of the procedures required in Order No. 1000 are met.<sup>125</sup> In addition, Order No. 1000 does not preclude any public utility transmission provider from considering in its transmission planning process transmission needs driven by additional public policy objectives not specifically required by local, state or federal laws or regulations. However, Order No. 1000 creates no obligation for any public utility transmission provider or its transmission planning processes to consider transmission needs driven by a public policy objective that is not specifically required by local, state or federal laws or regulations.<sup>126</sup> In addition, public utility transmission providers are not required to consider Public Policy Requirements themselves as part of the transmission planning process.<sup>127</sup>

**i. Consideration of Transmission Needs Driven by Public Policy Requirements in the Regional Transmission Planning Process**

79. First, we analyze in this section Filing Parties' filings for compliance with Order No. 1000's requirements with respect to consideration of transmission needs driven by Public Policy Requirements in the regional transmission planning process. In the next section, we analyze Filing Parties' filings for compliance with respect to consideration of transmission needs driven by Public Policy Requirements in their respective local transmission planning processes.

**(a) Filing Parties' Regional Transmission Planning Process**

80. Filing Parties explain that, as part of their regional transmission planning process, the Planning Committee is to gather data, including Enrolled Party Needs driven by Public Policy Requirements. Filing Parties propose to define Enrolled Party Needs as "any need for transmission facilities of an Enrolled Party, including any such need that is

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<sup>124</sup> *Id.* P 203.

<sup>125</sup> *Id.* P 214; Order No. 1000-A, 139 FERC ¶ 61,132 at P 319.

<sup>126</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 216.

<sup>127</sup> Order No. 1000-A, 139 FERC ¶ 61,132 at P 204.

driven by . . . Public Policy Requirements,”<sup>128</sup> and Public Policy Requirements as “any applicable public policy requirement established through one or more enacted statutes or regulations promulgated by a relevant local, state, or federal jurisdiction within the Enrolled Region.”<sup>129</sup>

81. Under the proposed Attachment Ks, during the study scope submittal window, any stakeholder may submit transmission needs driven by Public Policy Requirements, and each enrolled party must submit any Enrolled Party Needs driven by Public Policy Requirements to NorthernGrid for evaluation as part of the preparation of the draft regional transmission plan.<sup>130</sup>

82. Reviewing the data gathered during the submittal window, the Planning Committee will develop a draft study scope that will describe Enrolled Party Needs, including identified needs driven by Public Policy Requirements.<sup>131</sup> Filing Parties state that the draft study scope will describe which transmission needs driven by Public Policy Requirements will be evaluated.<sup>132</sup> Upon completion of the draft study scope, stakeholders will have an opportunity to comment on the draft study scope and submit additional data, including transmission projects for evaluation as part of the preparation of the draft regional transmission plan. These transmission projects include those addressing Enrolled Party Needs identified in the draft study scope, as well as such needs driven by Public Policy Requirements.<sup>133</sup>

83. After considering comments and any additional information submitted, the Planning Committee may modify the draft study scope before finalizing the study scope. NorthernGrid will post the final study scope on the NorthernGrid website.<sup>134</sup> The Planning Committee will document its analysis and results in the draft regional transmission plan, including the rationale for selecting and excluding transmission needs driven by Public Policy Requirements.

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<sup>128</sup> PacifiCorp OATT, Att. K, § 1.31.

<sup>129</sup> *Id.* § 1.59.

<sup>130</sup> *Id.* §§ 5.2.1, 5.2.2.

<sup>131</sup> *Id.* § 6.1.

<sup>132</sup> PacifiCorp Transmittal Letter at 18 (citing PacifiCorp OATT, Att. K, § 6.1(e)).

<sup>133</sup> PacifiCorp OATT, Att. K, § 6.2.

<sup>134</sup> *Id.*



84. The Planning Committee will evaluate combinations of the baseline projects of enrolled parties and alternative projects to identify whether there may be a combination that effectively satisfies all Enrolled Party Needs. The Planning Committee will document its analysis and results in the draft regional transmission plan.<sup>135</sup> Stakeholders and the Enrolled Parties and States Committee may submit comments on the draft regional transmission plan and include changes to previously submitted data. The Planning Committee will then post any written comments and make modifications to the plan, such as updating the analysis performed.

85. In developing the study scope and the draft regional transmission plan, the Planning Committee is to consider all timely submitted information, including information and comments received from stakeholders, comparably to address Enrolled Party Needs and Public Policy Requirements.<sup>136</sup>

**(b) Regional Transmission Planning Process –  
Commission Determination**

86. We find that Filing Parties' filings comply with the provisions of Order No. 1000 addressing transmission needs driven by Public Policy Requirements in the regional transmission planning process.

87. We find that Filing Parties' proposed definition of Public Policy Requirements complies with Order No. 1000. Filing Parties correctly include in the proposed definition those Public Policy Requirements that are established by local, state, or federal laws or regulations, meaning enacted statutes and regulations promulgated by a relevant jurisdiction.

88. We find that Filing Parties' proposed Attachment Ks comply with Order No. 1000's requirement that public utility transmission providers allow stakeholders an opportunity to provide input and to offer proposals regarding the transmission needs they believe are driven by Public Policy Requirements. With respect to identification of transmission needs driven by Public Policy Requirements, Filing Parties propose that, during the submittal window of the study scope, stakeholders may submit data to be evaluated as part of the preparation of the regional transmission study plan, including transmission needs driven by Public Policy Requirements.<sup>137</sup> Filing Parties sufficiently describe how any stakeholder may submit comments and additional data for evaluation as part of the preparation of the draft regional transmission plan, including transmission

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<sup>135</sup> *Id.* § 6.3.

<sup>136</sup> *Id.* § 6.5.

<sup>137</sup> *Id.* § 5.2.1.

projects, data supporting transmission needs and Enrolled Party Needs driven by Public Policy Requirements, and alternate solutions for evaluation to address Enrolled Party Needs.<sup>138</sup> In addition, Filing Parties' proposed Attachment Ks specify that stakeholders must submit all transmission needs within the submittal window to NorthernGrid using the data submittal form found on the NorthernGrid website.<sup>139</sup>

89. We find that Filing Parties' proposed Attachment Ks comply with Order No. 1000's requirement that stakeholders must establish a just and reasonable and not unduly discriminatory process through which public utility transmission providers will identify, out of this larger set of needs, those needs for which transmission solutions will be evaluated. Filing Parties describe the process by which they will identify the transmission needs driven by Public Policy Requirements for which transmission solutions will be evaluated in the regional transmission planning process.

90. We find that Filing Parties' proposal to post on the NorthernGrid website their analyses and results in the draft regional transmission plan, including the rationale for selecting and excluding transmission needs driven by Public Policy Requirements, complies with Order No. 1000.<sup>140</sup>

91. We find that Filing Parties' proposal complies with Order No. 1000's requirement that public utility transmission providers establish procedures in their OATTs to evaluate at the regional level potential transmission solutions to the identified transmission needs driven by Public Policy Requirements, including the evaluation of transmission facilities that stakeholders propose to satisfy an identified transmission need driven by Public Policy Requirements.<sup>141</sup>

92. Order No. 1000 also requires that the procedures for evaluating identified transmission needs driven by Public Policy Requirements for solutions provide an opportunity for stakeholders to provide input during the evaluation in the regional transmission planning process of potential solutions to identified needs. We find that Filing Parties' proposal complies with this requirement. Filing Parties provide several opportunities for stakeholders to provide input during the evaluation in the regional

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<sup>138</sup> *Id.* §§ 6.2, 6.4.

<sup>139</sup> *Id.* § 5.2.4.

<sup>140</sup> *Id.* § 6.2.

<sup>141</sup> *Id.* § 6.3.

transmission planning process of potential transmission planning solutions to identified needs.<sup>142</sup>

ii. **Consideration of Transmission Needs Driven by  
Public Policy Requirements in the Local  
Transmission Planning Process**

93. We now turn to Filing Parties' filings with respect to consideration of transmission needs driven by Public Policy Requirements in their respective local transmission planning processes.

(a) **Filing Parties' Local Transmission Planning  
Process**

94. Filing Parties propose to consider Public Policy Requirements in their respective local transmission planning processes.<sup>143</sup> Similar to the regional transmission planning process, only transmission needs driven by Public Policy Requirements are included in the local transmission plans.

95. Section II of the NorthWestern, Puget, and MATL proposed Attachment Ks and section III of the PacifiCorp, Avista, Idaho Power, and Portland General proposed Attachment Ks include provisions for stakeholders to submit input on transmission needs driven by Public Policy Requirements. In Idaho Power's, NorthWestern's and PacifiCorp's filings, stakeholder input is provided for in the first quarter of their two-year study cycle in their local transmission planning process.<sup>144</sup> In Portland General's process, stakeholder input is provided for in the first quarter of the local transmission planning process for the near-term case, and in the fifth quarter for the longer term case in their two-year study cycle.<sup>145</sup> Avista provides for stakeholders to propose for consideration local transmission needs driven by Public Policy Requirements during the study development meeting held in the second quarter of the first year of the biennial

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<sup>142</sup> *Id.* §§ 5.2.1, 5.2.3, 6.2.

<sup>143</sup> Filing Parties use the same definition for Public Policy Requirements as discussed earlier in the order in their local transmission planning processes and the regional transmission planning process.

<sup>144</sup> Idaho Power OATT, Att. K, §§ 2.1, 3.2.1, 4.1.4; NorthWestern OATT, Att. K, §§ 2.1.1, 2.1.10, 2.1.10.1, 2.5.2; PacifiCorp OATT, Att. K, §§ 2.1.1, 2.2.2.1, 2.3.1.4.

<sup>145</sup> Portland General OATT, Att. K, §§ 2.1, 3.2.1, 3.2.5, 4.1.3.

local transmission planning process.<sup>146</sup> In Puget's two-year study cycle, stakeholder input is provided in an annual open public meeting where stakeholders are encouraged to suggest local transmission needs, including those driven by Public Policy Requirements, and provide comments or potential solutions.<sup>147</sup> As part of its local transmission planning process, MATL has established a planning advisory group open to all interested stakeholders that provides input and feedback during the development of the local transmission plan to be completed every five years.<sup>148</sup> Planning advisory group meetings are to be held at least once every two years,<sup>149</sup> and provide an opportunity for participants to propose for consideration local transmission needs driven by Public Policy Requirements, as well as transmission projects.<sup>150</sup>

96. Moreover, Filing Parties provide stakeholders with opportunities to submit comments and additional information, including alternative solutions to be evaluated, as part of the preparation of their respective local transmission plans.<sup>151</sup> In addition to the stakeholder procedures noted in the OATTs and maintained on their websites, each of the Filing Parties has outlined meetings which stakeholders may attend and at which they may provide comments.<sup>152</sup>

97. Puget, Avista, and MATL separately identified transmission needs, including those driven by Public Policy Requirements, divided into those that will be evaluated as part of the local transmission planning process and those that will not be evaluated in the

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<sup>146</sup> Avista OATT, Att. K, §§ 1, 3.2.

<sup>147</sup> Puget OATT, Att. K, §§ 2.1, 2.6.

<sup>148</sup> MATL OATT, Att. K, Part B Overview, §§ 2.2.1, 2.2.2.

<sup>149</sup> *Id.* § 2.2.3.

<sup>150</sup> *Id.* § 2.2.5.

<sup>151</sup> PacifiCorp OATT, Att. K, §§ 2.2.2.1, 2.2.2.4; NorthWestern OATT, Att. K, § 2.3.2.2.1, 2.3.2.2.2; Avista OATT, Att. K, §§ 3.2, 3.3; Puget OATT, Att. K, § 2.6; Idaho Power OATT, Att. K, §§ 3.24, 3.26; MATL OATT, Att. K, §§ 2.4.9.1, 2.4.9.3; Portland General OATT, Att. K, §§ 3.2.3, 3.2.5, 3.2.7.

<sup>152</sup> PacifiCorp OATT, Att. K, § 2.1.5; NorthWestern OATT, Att. K, § 2.2.2; Avista OATT, Att. K, §§ 3.1, 3.2, 3.3, 3.5; Puget OATT, Att. K, § 2.6; Idaho Power OATT, Att. K, § 3.3; MATL OATT, Att. K, §§ 2.2.3, 2.2.4, 2.2.5; Portland General OATT, Att. K, § 3.3.

local transmission process.<sup>153</sup> In the PacifiCorp, NorthWestern, Idaho Power, and Portland General Attachment Ks, transmission needs driven by Public Policy Requirements will be separated into three categories: needs that will be evaluated for potential solutions in the transmission planning process; needs that will be used in the development of sensitivity analyses; and needs that will not otherwise be evaluated.<sup>154</sup>

98. Each Filing Party's local transmission planning process requires the Filing Party to post on its website an explanation of which transmission needs driven by Public Policy Requirements will be evaluated for potential solutions in the local transmission planning process, as well as an explanation of why other suggested transmission needs will not be evaluated.<sup>155</sup>

99. PacifiCorp, NorthWestern, Idaho Power, and Portland General propose to use the same evaluation process and selection criteria for selection in the local transmission plan for all local transmission projects, including those to address transmission needs driven by Public Policy Requirements.<sup>156</sup> Specifically, transmission needs driven by Public Policy Requirements in the transmission planning process will be jointly evaluated with other local transmission projects, rather than being considered separately from other transmission needs. All stakeholder submissions, including transmission needs driven by Public Policy Requirements, will be evaluated on a basis comparable to data and submissions required for planning the transmission system for both retail and wholesale customers; solutions, including transmission solutions driven by Public Policy Requirements, will be evaluated based on a comparison of their relative economics and ability to meet reliability criteria.<sup>157</sup> Avista will apply local transmission planning criteria when evaluating alternatives, including the ability of an alternative to satisfy an identified

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<sup>153</sup> Puget OATT, Att. K, § 2.7.1; Avista OATT, Att. K, § 3.2; MATL OATT, Att. K, § 2.4.9.1.

<sup>154</sup> PacifiCorp OATT, Att. K, § 2.2.2.1; NorthWestern OATT, Att. K, § 2.1.10.2; Idaho Power OATT, Att. K, § 3.2.1; Portland General OATT, Att. K, §§ 3.2.1, 3.2.5.

<sup>155</sup> PacifiCorp OATT, Att. K, §§ 2.2.2.1, 2.5.2.7; NorthWestern OATT, Att. K, §§ 2.3.2.1.4, 2.4.7.3.8; Avista OATT, Att. K, §§ 3.2, 5.3.2; Puget OATT, Att. K, § 2.7.1; Idaho Power OATT, Att. K, §§ 3.2.1, 5.2; MATL OATT, Att. K, § 2.4.9.1; Portland General OATT, Att. K, §§ 3.2.1, 3.2.5, 5.2.

<sup>156</sup> PacifiCorp OATT, Att. K, § 2.2.2.1; NorthWestern OATT, Att. K, § 2.1.10.4; Idaho Power OATT, Att. K, § 3.2.1; Portland General OATT, Att. K, §§ 3.2.1, 3.2.5.

<sup>157</sup> PacifiCorp OATT, Att. K, § 2.2.2.4; NorthWestern OATT, Att. K, §§ 2.3.2.2.4, 2.3.2.3.2; Idaho Power OATT, Att. K, §§ 3.2.1, 3.2.4; Portland General OATT, Att. K, §§ 3.2.1, 3.2.5.

transmission need driven by Public Policy Requirements.<sup>158</sup> MATL will evaluate and select from alternative proposed solutions to local transmission needs, including those driven by Public Policy Requirements using factors included in its Attachment K, and the extent to which the proposed solution satisfies multiple identified local transmission needs.<sup>159</sup> Puget will evaluate and select from alternative proposed solutions using factors included in its Attachment K, as appropriate.<sup>160</sup>

**(b) Local Transmission Planning Process –  
Commission Determination**

100. We find that each Filing Party’s filing complies with the provisions of Order No. 1000 addressing transmission needs driven by Public Policy Requirements in the local transmission planning process.

101. We find that each Filing Party’s filing satisfies the Order No. 1000 requirement that each public utility transmission provider include in its OATT procedures to identify, at the local level, transmission needs driven by Public Policy Requirements, allow stakeholders an opportunity to provide input, and “offer proposals regarding the transmission needs they believe are driven by Public Policy Requirements.”<sup>161</sup> Stakeholders will have the opportunity to propose and provide comments on transmission needs driven by Public Policy Requirements and public policy considerations.

102. We find that the Filing Parties’ filings satisfy the Order No. 1000 requirement to describe in their OATTs a just and reasonable and not unduly discriminatory process through which public utility transmission providers will identify, out of the larger set of needs proposed, those needs for which transmission solutions will be evaluated in the local transmission planning process.

103. We find that each Filing Party’s filing complies with Order No. 1000’s requirements that each public utility transmission provider post on its website an explanation of: (1) those transmission needs driven by Public Policy Requirements that have been identified for evaluation for potential transmission solutions in the local transmission process; and (2) why other suggested transmission needs driven by Public

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<sup>158</sup> Avista OATT, Att. K, § 4.

<sup>159</sup> MATL OATT, Att. K, § 2.4.5.

<sup>160</sup> Puget OATT, Att. K, § 2.7.2.

<sup>161</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 207.

Policy Requirements introduced by stakeholders were not selected for further evaluation.<sup>162</sup>

104. Finally, we find that Filing Parties' proposals satisfy Order No. 1000's requirement that each public utility transmission provider establish procedures to evaluate at the local level potential transmission solutions to identified transmission needs driven by Public Policy Requirements, including those proposed by stakeholders. Each Filing Party's proposed Attachment K includes provisions for stakeholders to submit transmission needs driven by Public Policy Requirements, as well as additional information about new or changed circumstances relating to transmission needs driven by Public Policy Requirements, or alternative solutions to be evaluated as part of the preparation of the draft local transmission plan.<sup>163</sup>

## **2. Non-Incumbent Transmission Developer Reforms**

105. Order No. 1000 institutes a number of reforms that seek to ensure that non-incumbent transmission developers have an opportunity to participate in the transmission development process. These reforms involve the elimination of federal rights of first refusal from Commission-jurisdictional tariffs and agreements, and requirements regarding qualification criteria for transmission developers and processes for evaluating proposals for new transmission facilities.

### **a. Federal Rights of First Refusal**

106. Order No. 1000 requires that each public utility transmission provider eliminate provisions in Commission-jurisdictional tariffs and agreements that establish a federal right of first refusal for an incumbent transmission provider with respect to transmission facilities selected in a regional transmission plan for purposes of cost allocation.<sup>164</sup> Order No. 1000 defines a transmission facility selected in a regional transmission plan for purposes of cost allocation as a transmission facility that has been selected pursuant to a transmission planning region's Commission-approved regional transmission planning

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<sup>162</sup> *Id.* P 209; Order No. 1000-A, 139 FERC ¶ 61,132 at P 325.

<sup>163</sup> PacifiCorp OATT, Att. K, §§ 2.2.2.1, 2.2.2.4; NorthWestern OATT, Att. K, §§ 2.3.2.2.1, 2.3.2.2.2; Avista OATT, Att. K, §§ 3.2, 3.3; Puget OATT, Att. K, § 2.6; Idaho Power OATT, Att. K, §§ 3.24, 3.26; MATL OATT, Att. K, §§ 2.4.9.1, 2.4.9.3; Portland General OATT, Att. K, §§ 3.2.3, 3.2.5, 3.2.7.

<sup>164</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 313. The phrase "a federal right of first refusal" refers only to rights of first refusal that are created by provisions in Commission-jurisdictional tariffs or agreements. Order No. 1000-A, 139 FERC ¶ 61,132 at P 415.

process for inclusion in a regional transmission plan for purposes of cost allocation because it is a more efficient or cost-effective solution to regional transmission needs.<sup>165</sup> If a public utility transmission provider's tariff or other Commission-jurisdictional agreements do not contain a federal right of first refusal provision, a public utility transmission provider should state this in its filing.<sup>166</sup>

107. The requirement in Order No. 1000 to eliminate a federal right of first refusal does not apply to local transmission facilities,<sup>167</sup> which are defined as transmission facilities located solely within a public utility transmission provider's retail distribution service territory or footprint that are not selected in the regional transmission plan for purposes of cost allocation.<sup>168</sup> The requirement also does not apply to the right of an incumbent transmission provider to build, own, and recover costs for upgrades to its own transmission facilities, regardless of whether an upgrade has been selected in the regional transmission plan for purposes of cost allocation.<sup>169</sup> In addition, the requirement does not

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<sup>165</sup> Order No. 1000, 136 FERC ¶ 61,051 at PP 5, 63.

<sup>166</sup> *Id.* P 314 n.294.

<sup>167</sup> *Id.* PP 226, 258, 318.

<sup>168</sup> *Id.* P 63. The Commission clarified in Order No. 1000-A that a local transmission facility is one that is located within the geographical boundaries of a public utility transmission provider's retail distribution service territory, if it has one; otherwise the area is defined by the public utility transmission provider's footprint. In the case of a regional transmission organization (RTO) or independent system operator (ISO) whose footprint covers the entire region, local transmission facilities are defined by reference to the retail distribution service territories or footprints of its underlying transmission owning members. Order No. 1000-A, 139 FERC ¶ 61,132 at P 429.

<sup>169</sup> Order No. 1000, 136 FERC ¶ 61,051 at PP 226, 319; Order No. 1000-A, 139 FERC ¶ 61,132 at P 426. The Commission stated in Order No. 1000 that upgrades to transmission facilities included such things as tower change outs or reconductoring, regardless of whether or not an upgrade has been selected in the regional transmission plan for purposes of cost allocation. Order No. 1000, 136 FERC ¶ 61,051 at P 319. The Commission clarified in Order No. 1000-A that the term "upgrade" means an improvement to, addition to, or replacement of a part of, an existing transmission facility. The term does not refer to an entirely new transmission facility. Order No. 1000-A, 139 FERC ¶ 61,132 at P 426.



remove, alter or limit an incumbent transmission provider's use and control of its existing rights-of-way under state law.<sup>170</sup>

108. The Commission clarified in Order No. 1000-A that Order No. 1000 does not require elimination of a federal right of first refusal for a new transmission facility if the regional cost allocation method results in an allocation of 100% of the facility's costs to the public utility transmission provider in whose retail distribution service territory or footprint the facility is to be located.<sup>171</sup> The Commission also clarified in Order No. 1000-A that the term "selected in a regional transmission plan for purposes of cost allocation" excludes a new transmission facility if the costs of that facility are borne entirely by the public utility transmission provider in whose retail distribution service territory or footprint that new transmission facility is to be located.<sup>172</sup> However, the Commission acknowledged in Order No. 1000-A that there may be a range of examples of multi-transmission provider zones, and it would address whether a cost allocation to a multi-transmission provider zone is regional on a case-by-case basis based on the facts presented.<sup>173</sup>

**i. Filing Parties' Filings**

109. Filing Parties each state that their tariffs and other Commission-jurisdictional agreements do not contain provisions granting federal rights of first refusal to construct transmission facilities selected in the NorthernGrid regional transmission plan for purposes of cost allocation.<sup>174</sup>

**ii. Commission Determination**

110. We find that Filing Parties' filings comply with the federal right of first refusal requirements of Order No. 1000 because Filing Parties' proposed Attachment Ks do not contain any federal rights of first refusal with respect to transmission projects selected in the NorthernGrid regional transmission plan for purposes of cost allocation.

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<sup>170</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 319.

<sup>171</sup> Order No. 1000-A, 139 FERC ¶ 61,132 at P 423.

<sup>172</sup> *Id.*

<sup>173</sup> *Id.* P 424; Order No. 1000-B, 141 FERC ¶ 61,044 at P 40.

<sup>174</sup> PacifiCorp Transmittal Letter at 19.

**b. Qualification Criteria**

111. Order No. 1000 requires each public utility transmission provider's OATT to demonstrate that the regional transmission planning process in which it participates has established appropriate qualification criteria for determining an entity's eligibility to propose a transmission project for selection in the regional transmission plan for purposes of cost allocation, whether that entity is an incumbent transmission provider or a non-incumbent transmission developer.<sup>175</sup> Appropriate qualification criteria must be fair and not unreasonably stringent when applied to either the incumbent transmission provider or non-incumbent transmission developer.<sup>176</sup> These criteria must not be unduly discriminatory or preferential and must provide each potential transmission developer the opportunity to demonstrate that it has the necessary financial resources and technical expertise to develop, construct, own, operate, and maintain transmission facilities.<sup>177</sup>

112. The qualification criteria should also allow for the possibility that an existing public utility transmission provider already satisfies the criteria.<sup>178</sup> There must be procedures in place for timely notifying transmission developers of whether they satisfy the region's qualification criteria and opportunities to remedy any deficiencies.<sup>179</sup> In addition, the qualification criteria should not be applied to an entity proposing a transmission project for consideration in the regional transmission planning process if that entity does not intend to develop the proposed transmission project.<sup>180</sup>

113. The Commission clarified in Order No. 1000-A that it would be an impermissible barrier to entry to require, as part of the qualification criteria, that a transmission developer demonstrate that it has, or can obtain, state approvals necessary to operate in a state, including state public utility status and the right to eminent domain, to be eligible to propose a transmission facility.<sup>181</sup>

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<sup>175</sup> Order No. 1000, 136 FERC ¶ 61,051 at PP 225, 323.

<sup>176</sup> *Id.* P 324.

<sup>177</sup> *Id.* P 323.

<sup>178</sup> *Id.* P 324.

<sup>179</sup> *Id.*

<sup>180</sup> *Id.* P 324 n.304; Order No. 1000-A, 139 FERC ¶ 61,132 at n.520.

<sup>181</sup> Order No. 1000-A, 139 FERC ¶ 61,132 at P 441.

**i. Filing Parties' Filings**

114. Filing Parties set out their proposed qualification criteria for determining a transmission developer's eligibility to propose a transmission project for selection in the regional transmission plan for purposes of cost allocation in their revised Attachment Ks.<sup>182</sup> Filing Parties' proposed Attachment Ks identify when and how the required information must be submitted to qualify to develop a transmission project. Under Filing Parties' proposal, any enrolled party, non-incumbent transmission developer, or interregional transmission project proponent that intends to develop a transmission project for which it seeks cost allocation must become a qualified developer by submitting the required information outlined in the tariff to the Cost Allocation Task Force during the submittal window.<sup>183</sup>

115. To become a qualified developer, a project sponsor must submit qualification data including: (1) basic identifying information; (2) a description of the project sponsor's relevant business experience; (3) information regarding any third-parties that the project sponsor will rely on for expertise; (4) a demonstration of financial competency and creditworthiness; and (5) a signed affirmation of the submitted information. The Cost Allocation Task Force will review the submitted information for sufficiency, notify the project sponsor of any deficiencies, and allow the project sponsor to cure the deficiencies. If a project sponsor fails to cure deficiencies within 15 calendar days of the date of notice, it may reapply to become a qualified developer during the submittal window of the subsequent planning cycle. The Cost Allocation Task Force will evaluate the information a project sponsor submits to assess whether the project sponsor is qualified, including whether the information indicates experience, including managerial and technical expertise, in developing, constructing (or managing construction), owning and/or operating comparable transmission projects. In addition, the Cost Allocation Task Force will assess whether the project sponsor meets the financial criteria requirements to demonstrate that the project sponsor or its parent has either an investment grade rating or a minimum tangible net worth of \$1,000,000 or total assets of \$10,000,000. The Cost Allocation Task Force is to apply the qualification criteria in a comparable and non-discriminatory manner.<sup>184</sup>

**ii. Commission Determination**

116. We find that the qualification criteria provisions in Filing Parties' filings comply with the requirements of Order No. 1000. In Order No. 1000, the Commission

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<sup>182</sup> PacifiCorp, OATT, Att. K, § 7.1.1.

<sup>183</sup> *Id.* § 7.1.2.

<sup>184</sup> *Id.* §§ 7.1.2, 7.1.3, 7.1.4.

specifically stated that the qualification criteria should not be applied to an entity proposing a transmission project for consideration in the regional transmission planning process if that entity does not intend to develop the proposed transmission project.<sup>185</sup> We find that Filing Parties' qualification criteria proposal does not require a transmission developer to become a qualified developer in order to *propose* a regional transmission project for consideration in the regional transmission plan for purposes of cost allocation. We find that the proposed qualification criteria are fair, are not unreasonably stringent, and provide potential transmission developers the opportunity to demonstrate that they have the financial resources and technical expertise to develop, construct, own, operate, and maintain transmission facilities.

**c. Information Requirements**

117. Order No. 1000 requires that each public utility transmission provider identify in its OATT the information that a prospective transmission developer must submit in support of a transmission project the developer proposes in the regional transmission planning process.<sup>186</sup> The public utility transmission provider must identify this information in sufficient detail to allow a proposed transmission project to be evaluated in the regional transmission planning process on a basis comparable to other transmission projects that are proposed in this process.<sup>187</sup> The information requirements must not be so cumbersome that they effectively prohibit transmission developers from proposing transmission projects, yet not be so relaxed that they allow for relatively unsupported proposals.<sup>188</sup> They may require, for example, relevant engineering studies and cost analyses and may request other reports or information from the transmission developer that are needed to facilitate evaluation of the transmission project in the regional transmission planning process.<sup>189</sup>

118. Each public utility transmission provider must also revise its OATT to identify the date by which information in support of a transmission project must be submitted to be considered in a given transmission planning cycle.<sup>190</sup> Each transmission planning region

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<sup>185</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 324 n.304; Order No. 1000-A, 139 FERC ¶ 61,132 at n.520.

<sup>186</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 325.

<sup>187</sup> *Id.* P 326.

<sup>188</sup> *Id.*

<sup>189</sup> *Id.*

<sup>190</sup> *Id.* P 325.

may determine for itself what deadline is appropriate and may use rolling or flexible dates to reflect the iterative nature of their regional transmission planning process.<sup>191</sup>

**i. Filing Parties' Filings**

119. Filing Parties state that their proposed regional transmission planning process enables stakeholders to submit information, including transmission projects, into the planning process during the submittal window or within 60 days following posting of the draft study scope.<sup>192</sup> Filing Parties' proposed Attachment Ks identify the information required for all transmission projects, optional information for merchant projects, and additional information required for transmission projects for which cost allocation will be requested.<sup>193</sup> Filing Parties note that transmission projects submitted by stakeholders and conceptual solutions derived from stakeholder information may become sponsored projects.<sup>194</sup>

120. In addition to specifying whether the transmission project is sponsored, committed, and will seek cost allocation, the minimum data required for a proposed transmission project to become a sponsored project include: identification of the Enrolled Party Needs to be addressed; transmission project location and components; electrical characteristics and construction type; terminal facilities and reactive elements; estimated cost, annual revenue requirements, and underlying assumptions; development and in-service schedules; whether the transmission project is proposed as an interregional transmission project; whether the transmission project is a merchant transmission project; technical studies; and economic considerations.<sup>195</sup>

121. Under Filing Parties' proposal, for transmission projects for which cost allocation will be requested, the qualified sponsor or qualified developer must also provide information regarding: its anticipated role in the transmission project; required steps for developing the transmission project, such as approvals and easements; anticipated transfer capability or path rating increase; a list of new facility outages to be analyzed as a result of the transmission project; and all data underlying cost calculations.<sup>196</sup> The

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<sup>191</sup> *Id.* P 327.

<sup>192</sup> PacifiCorp Transmittal Letter at 20.

<sup>193</sup> PacifiCorp OATT, Att. K, § 5.2.3.5, tbl. A.

<sup>194</sup> PacifiCorp Transmittal Letter at 20-21.

<sup>195</sup> PacifiCorp OATT, Att. K, § 5.2.3.5.

<sup>196</sup> *Id.* § 5.2.3.6.

Planning Committee or Cost Allocation Task Force may request additional information needed to assess the transmission project.<sup>197</sup>

**ii. Commission Determination**

122. We find that the provisions in Filing Parties' filings dealing with information requirements for submitting proposals comply with the requirements of Order No. 1000 because the provisions require sufficient detail to allow the public utility transmission providers in the transmission planning region to evaluate transmission projects proposed by transmission developers, including both transmission projects that are seeking regional cost allocation and those that are not, on a comparable basis with other proposed transmission projects. We accept Filing Parties' proposal to apply certain minimum information requirements to transmission projects that are proposed to address regional needs, but do not seek regional cost allocation (e.g., participant-funded transmission projects), and to apply additional information requirements to transmission projects that are proposed to address regional needs and be selected in the regional transmission plan for purposes of cost allocation.

123. By proposing that transmission developers must submit the required information to the Cost Allocation Task Force during the submittal window or within 60 days of the draft study scope being posted, Filing Parties satisfy Order No. 1000's requirement that each public utility transmission provider identify in its OATT the date by which information in support of a transmission project must be submitted to be considered in a given transmission planning cycle.

**d. Evaluation Process for Proposals for Selection in the Regional Transmission Plan for Purposes of Cost Allocation**

124. Order No. 1000 requires that each public utility transmission provider's OATT describe a transparent and not unduly discriminatory process for evaluating whether to select a proposed transmission facility in the regional transmission plan for purposes of cost allocation.<sup>198</sup> Public utility transmission providers should both explain and justify the nondiscriminatory evaluation process proposed in their filings.<sup>199</sup>

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<sup>197</sup> *Id.* § 5.2.3.6.

<sup>198</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 328; Order No. 1000-A, 139 FERC ¶ 61,132 at P 452.

<sup>199</sup> Order No. 1000-A, 139 FERC ¶ 61,132 at P 268.

125. The evaluation process must ensure transparency and provide the opportunity for stakeholder coordination.<sup>200</sup> The public utility transmission providers in a transmission planning region must use the same process to evaluate a new transmission facility proposed by a non-incumbent transmission developer as it does for a transmission facility proposed by an incumbent transmission developer.<sup>201</sup> When cost estimates are part of the selection criteria, the regional transmission planning process must scrutinize costs in the same manner whether the transmission project is sponsored by an incumbent or non-incumbent transmission developer.<sup>202</sup> The evaluation process must culminate in a determination that is sufficiently detailed for stakeholders to understand why a particular transmission project was selected or not selected in the regional transmission plan for purposes of cost allocation.<sup>203</sup>

**i. Filing Parties' Filings**

126. Filing Parties explain that their proposed Attachment Ks provide that the Planning Committee will develop the draft study scope, which will be subject to review and comment by the Enrolled Parties and States Committee and by stakeholders.<sup>204</sup> Filing Parties state that the proposed process, as revised pursuant to guidance in the December 2019 Order, includes a 60-day period following the identification of local and regional needs and the posting of the draft study scope, during which stakeholders may submit additional data and transmission projects for evaluation as part of the draft regional transmission plan. Filing Parties state that the Planning Committee will revise the study scope to include this new information before posting the final study scope to the NorthernGrid website.<sup>205</sup>

127. Filing Parties describe a process whereby the Planning Committee will evaluate transmission projects submitted by incumbent and non-incumbent transmission developers together. Filing Parties state that the Planning Committee will evaluate

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<sup>200</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 328; Order No. 1000-A, 139 FERC ¶ 61,132 at P 454.

<sup>201</sup> Order No. 1000-A, 139 FERC ¶ 61,132 at P 454.

<sup>202</sup> *Id.* P 455.

<sup>203</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 328; Order No. 1000-A, 139 FERC ¶ 61,132 at P 267.

<sup>204</sup> PacifiCorp Transmittal Letter at 22 (citing PacifiCorp OATT, Att. K, §§ 6.1, 6.2).

<sup>205</sup> *Id.* at 22 (citing PacifiCorp OATT, Att. K, § 6.2).

combinations of baseline projects and alternative projects to identify whether any combination satisfied Enrolled Party Needs, taking into account material adverse impacts on neighboring systems and mitigation solutions.<sup>206</sup> Under the proposal, the Planning Committee will document this analysis and study results in the draft regional transmission plan, which will be subject to review by the Enrolled Parties and States Committee and by stakeholders. The Planning Committee will subsequently incorporate revisions into the draft regional transmission plan and post it on the NorthernGrid website.<sup>207</sup>

128. Filing Parties propose that the Cost Allocation Task Force will consider the following factors when evaluating whether any proposed transmission projects are a more efficient or cost-effective solution to an Enrolled Party Need: (1) sponsorship and degree of development; (2) feasibility; (3) coordination with any affected transmission system; (4) economics; (5) effectiveness of performance; (6) satisfaction of an Enrolled Party Need, including the extent to which the proposed solution satisfies multiple needs; (7) mitigation of any material adverse impact of such proposed solution on any transmission system; and (8) consistency with applicable state, regional, and federal planning requirements and regulations.<sup>208</sup>

129. Filing Parties explain that, simultaneous with the identification of regional transmission projects, the Cost Allocation Task Force will perform cost allocation analysis for sponsored and unsponsored transmission projects for which cost allocation is requested. The Cost Allocation Task Force will determine whether a transmission project is a more efficient or cost-effective solution to Enrolled Party Needs and will perform a benefit-to-cost analysis, with the analysis and results included in the draft regional transmission plan.<sup>209</sup>

## **ii. Commission Determination**

130. We find that the provisions in Filing Parties' proposal addressing the evaluation of proposed transmission projects comply with the requirements of Order No. 1000. By providing opportunities for stakeholders to comment on NorthernGrid's draft study scope as well as its draft regional transmission plan, NorthernGrid's proposed regional transmission planning process provides the opportunity for stakeholder coordination.

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<sup>206</sup> *Id.* at 22-23 (citing PacifiCorp OATT, Att. K, § 6.3).

<sup>207</sup> PacifiCorp OATT, Att. K, § 6.4.

<sup>208</sup> *Id.* § 8.3.

<sup>209</sup> PacifiCorp Transmittal Letter at 23-24 (citing PacifiCorp OATT, Att. K, §§ 8.3, 8.5).



Further, NorthernGrid will document in the draft and final regional transmission plans<sup>210</sup> an explanation of why a proposed transmission project for which cost allocation was requested was not selected as a cost allocation project, such that the proposed regional transmission planning process will culminate in a determination that is sufficiently detailed for stakeholders to understand why a particular transmission project was selected or not selected in the regional transmission plan for purposes of cost allocation. We also find that the proposed evaluation criteria are transparent and not unduly discriminatory and comply with Order No. 1000's requirement to consider the "relative efficiency and cost-effectiveness of [a proposed transmission] solution."<sup>211</sup>

e. **Reevaluation Process for Proposals for Selection in the Regional Transmission Plan for Purposes of Cost Allocation**

131. Each public utility transmission provider must describe in its OATT the circumstances and procedures under which public utility transmission providers in the regional transmission planning process will reevaluate the regional transmission plan to determine if delays in the development of a transmission facility selected in a regional transmission plan for purposes of cost allocation require evaluation of alternative transmission solutions, including those that the incumbent transmission provider proposes, to ensure the incumbent transmission provider can meet its reliability needs or service obligations.<sup>212</sup> If an evaluation of alternatives is needed, the regional transmission planning process must allow the incumbent transmission provider to propose solutions that it would implement within its retail distribution service territory or footprint, and if that solution is a transmission facility, then the proposed transmission facility should be evaluated for possible selection in the regional transmission plan for purposes of cost allocation.<sup>213</sup>

i. **Filing Parties' Filings**

132. Filing Parties' proposed Attachment Ks provide for the reevaluation of all transmission projects in the current planning cycle that were included in the prior regional transmission plan using any updated information, including both transmission projects for which cost allocation was not requested and transmission projects for which cost allocation was requested. Under the proposal, all transmission projects included in

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<sup>210</sup> PacifiCorp OATT, Att. K, § 8.5.5.

<sup>211</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 331 n.307.

<sup>212</sup> *Id.* PP 263, 329; Order No. 1000-A, 139 FERC ¶ 61,132 at P 477.

<sup>213</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 329.

the prior regional transmission plan for which cost allocation was not requested will be reevaluated in the regional transmission plan for the current cycle unless the sponsor withdraws the transmission project or the Enrolled Party Need that the transmission project satisfied is no longer present.<sup>214</sup>

133. Filing Parties explain that all transmission projects included in the prior planning process for which cost allocation was requested, and which have not yet become committed projects,<sup>215</sup> will be reevaluated in the current planning cycle unless: (1) all who originally submitted a request for cost allocation for such transmission project no longer satisfy the criteria to be qualified developers; (2) the Enrolled Party Need that the project satisfied is no longer present; (3) all requests for cost allocation for the transmission project have been withdrawn; (4) the transmission project is no longer determined to be a more efficient or cost-effective solution to an Enrolled Party Need; or (5) the transmission project has been in the plan for three consecutive biennial planning cycles without becoming a committed project.<sup>216</sup> Filing Parties' proposed OATT revisions also allow, if an evaluation of alternatives is needed, the incumbent transmission provider to propose transmission solutions that it would implement within its retail service territory or footprint, noting that an incumbent transmission provider solution will be evaluated during the evaluation process like any other transmission project being considered in the regional transmission plan.<sup>217</sup>

## ii. Commission Determination

134. We find that Filing Parties have complied with Order No. 1000's requirements concerning reevaluation of the regional transmission plan. Under Filing Parties' proposed reevaluation process, all transmission projects comprising the prior regional transmission plan will be reevaluated, including updated information and in-service dates if available, with the exception of transmission projects that have become committed projects or that been removed from the plan for the enumerated reasons described above.<sup>218</sup>

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<sup>214</sup> PacifiCorp OATT, Att. K, § 5.2.3.7.

<sup>215</sup> *Id.* § 5.2.3.8.

<sup>216</sup> *Id.* § 5.2.3.8.

<sup>217</sup> *Id.* §§ 5.2.2, 5.2.3.

<sup>218</sup> *See* PacifiCorp OATT, Att. K, §§ 5.2.3.7, 5.2.3.8(ii).

**f. Cost Allocation for Projects Selected in the Regional Transmission Plan for Purposes of Cost Allocation**

135. Order No. 1000 requires each public utility transmission provider to participate in a regional transmission planning process that provides that a non-incumbent transmission developer has an opportunity comparable to that of an incumbent transmission developer to allocate the cost of a transmission facility through a regional cost allocation method or methods.<sup>219</sup> A non-incumbent transmission developer must have the same eligibility as an incumbent transmission developer to use a regional cost allocation method or methods for any sponsored transmission facility selected in the regional transmission plan for purposes of cost allocation.<sup>220</sup> If a transmission project is selected in a regional transmission plan for purposes of cost allocation, Order No. 1000 requires that the transmission developer of that transmission facility (whether incumbent or non-incumbent) must be able to rely on the relevant cost allocation method or methods within the region should it move forward with its transmission project.<sup>221</sup>

136. Order No. 1000 specifies that the regional transmission planning process could use a non-discriminatory competitive bidding process as the mechanism to ensure that all transmission projects are eligible to be considered for selection in the regional transmission plan for purposes of cost allocation.<sup>222</sup> The regional transmission planning process could allow the sponsor of a transmission project selected in the regional transmission plan for purposes of cost allocation to use the regional cost allocation method associated with the transmission project.<sup>223</sup> If it uses a sponsorship model, the regional transmission planning process would also need to have a fair and not unduly discriminatory mechanism to grant to an incumbent transmission provider or non-incumbent transmission developer the right to use the regional cost allocation method for unsponsored transmission facilities selected in the regional transmission plan for purposes of cost allocation.<sup>224</sup>

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<sup>219</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 332.

<sup>220</sup> *Id.*

<sup>221</sup> *Id.* P 339.

<sup>222</sup> *Id.* P 336.

<sup>223</sup> *Id.*

<sup>224</sup> *Id.*

**i. Filing Parties' Filings**

137. Filing Parties state that the proposed Attachment Ks allow enrolled parties, non-incumbent transmission developers, and interregional transmission project proponents acting as qualified sponsors or qualified developers to submit sponsored projects with a request for cost allocation.<sup>225</sup> Any qualified sponsor or qualified developer may also request cost allocation on behalf of unsponsored projects.<sup>226</sup> Filing Parties explain that the proposed process allows consideration of proposed solutions for which there is no sponsor, thereby allowing such transmission projects to be considered in the regional transmission planning process, and ensuring that both non-incumbent and incumbent transmission developers have equal eligibility to use the regional cost allocation process.<sup>227</sup>

**ii. Commission Determination**

138. We find that the provisions in Filing Parties' filings addressing cost allocation for non-incumbent transmission facilities comply with the requirements of Order No. 1000. Filing Parties propose a sponsorship model, which would permit a qualified transmission developer, whether an incumbent or a non-incumbent, to request cost allocation for a sponsored project, and allow the transmission developer to use the regional cost allocation method if the project is selected as a cost allocation project. The proposed Attachment Ks also grant both incumbent transmission providers and non-incumbent transmission developers the right to request to use the regional cost allocation method for unsponsored projects selected in the regional transmission plan for purposes of cost allocation, as required by Order No. 1000.<sup>228</sup>

**3. Cost Allocation**

139. Order No. 1000 requires each public utility transmission provider to have in place a method, or set of methods, for allocating the costs of new transmission facilities selected in the regional transmission plan for purposes of cost allocation.<sup>229</sup> Each public utility transmission provider must show that its regional cost allocation method or methods are just and reasonable and not unduly discriminatory or preferential by

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<sup>225</sup> PacifiCorp Transmittal Letter at 25 (citing PacifiCorp OATT, Att. K, § 5.2.3.2).

<sup>226</sup> PacifiCorp OATT, Att. K, § 5.2.3.3.

<sup>227</sup> PacifiCorp Transmittal Letter at 25-26.

<sup>228</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 336.

<sup>229</sup> *Id.* P 558.

demonstrating that each method satisfies six regional cost allocation principles described in Order No. 1000.<sup>230</sup> The Commission took a principles-based approach because it recognized that regional differences may warrant distinctions in cost allocation methods among transmission planning regions.<sup>231</sup> In addition, Order No. 1000 permits participant funding, but not as a regional or interregional cost allocation method.<sup>232</sup>

140. If a public utility transmission provider is in an RTO or ISO, Order No. 1000 requires that the regional cost allocation method or methods be set forth in the RTO or ISO OATT. In a non-RTO/ISO transmission planning region, each public utility transmission provider located within the region must set forth in its OATT the same language regarding the cost allocation method or methods that is used in its transmission planning region.<sup>233</sup> Each public utility transmission provider must have a regional cost allocation method for any transmission facility selected in a regional transmission plan for purposes of cost allocation.<sup>234</sup>

141. Regional Cost Allocation Principle 1 specifies that the cost of transmission facilities must be allocated to those within the transmission planning region that benefit from those facilities in a manner that is at least roughly commensurate with estimated benefits. Cost allocation methods must clearly and definitively specify the benefits and the class of beneficiaries.<sup>235</sup> In determining the beneficiaries of transmission facilities, a regional transmission planning process may consider benefits including, but not limited to, the extent to which transmission facilities, individually or in the aggregate, provide for maintaining reliability and sharing reserves, production cost savings and congestion relief, and/or meeting Public Policy Requirements.<sup>236</sup> Regional Cost Allocation Principle 1 precludes an allocation where the benefits received are trivial in relation to the costs to be borne.<sup>237</sup>

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<sup>230</sup> *Id.* P 603.

<sup>231</sup> *Id.* P 604.

<sup>232</sup> *Id.* P 723.

<sup>233</sup> *Id.* P 558.

<sup>234</sup> *Id.* P 690.

<sup>235</sup> Order No. 1000-A, 139 FERC ¶ 61,132 at P 678.

<sup>236</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 622.

<sup>237</sup> *Id.* P 639.

142. Order No. 1000 does not prescribe a particular definition of “benefits” or “beneficiaries.”<sup>238</sup> The Commission stated in Order No. 1000-A that while Order No. 1000 does not define benefits and beneficiaries, it does require the public utility transmission providers in each transmission planning region to be definite about benefits and beneficiaries for purposes of their cost allocation methods.<sup>239</sup> In addition, for a cost allocation method or methods to be accepted by the Commission as Order No. 1000-compliant, they will have to specify clearly and definitively the benefits and the class of beneficiaries.<sup>240</sup> A benefit used by public utility transmission providers in a regional cost allocation method or methods must be an identifiable benefit, and the transmission facility cost allocated must be roughly commensurate with that benefit.<sup>241</sup> Each regional transmission planning process must provide entities who will receive regional or interregional cost allocation an understanding of the identified benefits on which the cost allocation is based.<sup>242</sup> The public utility transmission providers in a transmission planning region may propose a cost allocation method that considers the benefits and costs of a group of new transmission facilities, although there is no requirement to do so.<sup>243</sup>

143. The regional transmission plan must include a clear cost allocation method or methods that identify beneficiaries for each of the transmission facilities selected in a regional transmission plan for purposes of cost allocation.<sup>244</sup> Order No. 1000-A stated that public utility transmission providers in each transmission planning region, in consultation with their stakeholders, may consider proposals to allocate costs directly to generators as beneficiaries that could be subject to regional or interregional cost allocation, but any such allocation must not be inconsistent with the generator interconnection process under Order No. 2003.<sup>245</sup>

144. Regional Cost Allocation Principle 2 specifies that those that receive no benefit from transmission facilities, either at present or in a likely future scenario, must not be

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<sup>238</sup> *Id.* P 624.

<sup>239</sup> Order No. 1000-A, 139 FERC ¶ 61,132 at P 679.

<sup>240</sup> *Id.* P 678.

<sup>241</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 625.

<sup>242</sup> Order No. 1000-A, 139 FERC ¶ 61,132 at P 746.

<sup>243</sup> Order No. 1000, 136 FERC ¶ 61,051 at PP 627, 641.

<sup>244</sup> *Id.* P 11; Order No. 1000-A, 139 FERC ¶ 61,132 at P 585.

<sup>245</sup> Order No. 1000-A, 139 FERC ¶ 61,132 at P 680.

involuntarily allocated any of the costs of those transmission facilities.<sup>246</sup> All cost allocation methods must provide for allocation of the entire prudently incurred cost of a transmission project to prevent stranded costs.<sup>247</sup> To the extent that public utility transmission providers propose a cost allocation method or methods that consider the benefits and costs of a group of new transmission facilities and adequately support their proposal, Regional Cost Allocation Principle 2 would not require a showing that every individual transmission facility in the group of transmission facilities provides benefits to every beneficiary allocated a share of costs of that group of transmission facilities.<sup>248</sup>

145. The Commission clarified in Order No. 1000-A that public utility transmission providers may rely on scenario analyses in the preparation of a regional transmission plan and the selection of new transmission facilities in the regional transmission plan for purposes of cost allocation. Regional Cost Allocation Principle 2 would be satisfied if a transmission project or group of transmission projects is shown to have benefits in one or more of the transmission planning scenarios identified by public utility transmission providers in their Commission-approved Order No. 1000-compliant cost allocation methods.<sup>249</sup> The Commission clarified in Order No. 1000-B that it did not intend to remove the “likely future scenarios” concept from transmission planning and that likely future scenarios can be an important factor in public utility transmission providers’ consideration of transmission projects and in the identification of beneficiaries consistent with the cost causation principle.<sup>250</sup>

146. Regional Cost Allocation Principle 3 specifies that if a benefit to cost threshold is used to determine which transmission facilities have sufficient net benefits to be selected in a regional transmission plan for the purpose of cost allocation, the threshold must not be so high that transmission facilities with significant positive net benefits are excluded from cost allocation. Public utility transmission providers may choose to use such a threshold to account for uncertainty in the calculation of benefits and costs. If adopted, such a threshold may not include a ratio of benefits to costs that exceeds 1.25 unless the

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<sup>246</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 637.

<sup>247</sup> *Id.* P 640.

<sup>248</sup> *Id.* P 641.

<sup>249</sup> Order No. 1000-A, 139 FERC ¶ 61,132 at P 690.

<sup>250</sup> Order No. 1000-B, 141 FERC ¶ 61,044 at P 72.

transmission planning region or public utility transmission provider justifies, and the Commission approves, a higher ratio.<sup>251</sup>

147. Regional Cost Allocation Principle 4 specifies that the allocation method for the cost of a transmission facility selected in a regional transmission plan for purposes of cost allocation must allocate costs solely within that transmission planning region unless another entity outside the region or another transmission planning region voluntarily agrees to assume a portion of those costs. However, the transmission planning process in the original region must identify consequences for other transmission planning regions, such as upgrades that may be required in another region and, if the original region agrees to bear costs associated with such upgrades, then the original region's cost allocation method or methods must include provisions for allocating the costs of the upgrades among the beneficiaries in the original region.<sup>252</sup>

148. Regional Cost Allocation Principle 5 specifies that the cost allocation method and data requirements for determining benefits and identifying beneficiaries for a transmission facility must be transparent with adequate documentation to allow a stakeholder to determine how they were applied to a proposed transmission facility.<sup>253</sup>

149. Regional Cost Allocation Principle 6 specifies that a transmission planning region may choose to use a different cost allocation method for different types of transmission facilities in the regional transmission plan, such as transmission facilities needed for reliability, congestion relief, or to achieve Public Policy Requirements.<sup>254</sup> If the public utility transmission providers choose to have a different cost allocation method for each type of transmission facility, there can be only one cost allocation method for each type.<sup>255</sup> In addition, if public utility transmission providers choose to propose a different cost allocation method or methods for different types of transmission facilities, each method would have to be determined in advance for each type of facility.<sup>256</sup> A regional cost allocation method for one type of regional transmission facility or for all regional transmission facilities may include voting requirements for identified beneficiaries to

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<sup>251</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 646.

<sup>252</sup> *Id.* P 657.

<sup>253</sup> *Id.* P 668.

<sup>254</sup> *Id.* P 685.

<sup>255</sup> *Id.* P 686; *see also id.* P 560.

<sup>256</sup> *Id.* P 560.



vote on proposed transmission facilities.<sup>257</sup> However, the public utility transmission providers in a region may not designate a type of transmission facility that has no regional cost allocation method applied to it.<sup>258</sup>

**a. Filing Parties' Filings**

150. Under Filing Parties' proposed Attachment Ks, any enrolled party, non-incumbent transmission developer, or interregional transmission project proponent can submit a transmission project to be evaluated for selection in the regional transmission plan for purposes of cost allocation.<sup>259</sup> Upon request for cost allocation, the Cost Allocation Task Force will evaluate whether the estimated cost of a transmission project exceeds the \$20 million required threshold,<sup>260</sup> and consider whether the Potential Cost Allocation Project is a more efficient or a cost-effective solution to an Enrolled Party Need.<sup>261</sup> As noted earlier, in making the determination, the Cost Allocation Task Force will consider the following factors: (1) sponsorship and degree of development; (2) feasibility; (3) coordination with any affected transmission system; (4) economics; (5) effectiveness of performance; (6) satisfaction of an enrolled party need, including the extent to which the proposed solution satisfies multiple enrolled party needs; (7) mitigation of any material adverse impact on any transmission system; and (8) consistency with applicable state, regional, and federal planning requirements and regulations. Filing Parties' proposed

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<sup>257</sup> *Id.* P 689.

<sup>258</sup> *Id.* P 690.

<sup>259</sup> Un-sponsored transmission projects may be proposed for purposes of cost allocation; however, to be eligible to be selected in the regional transmission plan for purposes of cost allocation, each un-sponsored transmission project is dependent upon a qualified sponsor to submit a request for cost allocation on behalf of the project. PacifiCorp OATT, Att. K, § 5.2.3.3.

<sup>260</sup> PacifiCorp Transmittal Letter at 5, 27 (citing PacifiCorp OATT, Att. K, §§ 8.1, 8.2). Transmission projects whose estimated costs exceed \$20 million are referred to as Potential Cost Allocation Projects. PacifiCorp OATT, Att. K, § 5.2.3.2.

<sup>261</sup> PacifiCorp Transmittal Letter at 5 (citing PacifiCorp OATT, Att. K, § 8.3). Any project for cost allocation consideration that is determined to be more efficient or cost-effective will then be incorporated within the draft regional transmission plan as an Eligible Cost Allocation Project.

Attachment Ks provide that no single factor is necessarily determinative in evaluating Potential Cost Allocation Projects.<sup>262</sup>

151. Filing Parties state that the NorthernGrid cost allocation process will identify annualized cost, annualized benefits, and enrolled party beneficiaries of each Eligible Cost Allocation Project. Filing Parties explain that the identified annualized benefits are composed of deferred costs, avoided capital costs, and increased useful available transfer capability. Deferred costs are to be calculated for each enrolled party based on the revenue requirement avoided over each year of the deferral period (i.e. annual return (both debt and equity), depreciation, taxes other than income, operation and maintenance expense, and income taxes), and then annualized over the life of the Eligible Cost Allocation Project. Avoided capital costs are to be calculated the same way as deferred costs for each enrolled party based on the revenue requirement avoided over each year of the life of the Eligible Cost Allocation Project. The increased useful available transfer capability of an enrolled party for an Eligible Cost Allocation Project is the increased annual revenue from sales at cost-based rates projected to be accrued by that party over the life of the Eligible Cost Allocation Project due to an increase in transmission capacity on the enrolled party's transmission system resulting from an Eligible Cost Allocation Project<sup>263</sup>

152. Filing Parties explain that the sum of these identified annualized benefits that are directly attributable to each Eligible Cost Allocation Project will be divided by the transmission project's annualized cost. If the result is greater than or equal to 1.25, the transmission project is considered a Preliminary Cost Allocation Project and its total project costs<sup>264</sup> will be allocated to its enrolled party beneficiaries based upon the ratio of the benefits identified for each enrolled party beneficiary.<sup>265</sup> Filing Parties assert that, in response to the December 2019 Order, the proposed process synchronizes the time periods measuring the estimated transmission project costs and transmission project benefits because both the costs and benefits of an Eligible Cost Allocation Project are evaluated on the same annualized basis over the total life of the transmission project.<sup>266</sup>

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<sup>262</sup> PacifiCorp OATT, Att. K, § 8.3.

<sup>263</sup> PacifiCorp Transmittal Letter at 5 (citing PacifiCorp OATT, Att. K, §§ 8.2, 8.4, 8.5).

<sup>264</sup> *Id.* at 5 (citing PacifiCorp OATT, Att. K, § 8.2).

<sup>265</sup> *Id.* at 5-6 (citing PacifiCorp OATT, Att. K, § 8.5.3).

<sup>266</sup> *Id.* at 6 (citing December 2019 Order, 169 FERC ¶ 61,249 at P 52).

153. Filing Parties' proposed Attachment Ks also provide for a negotiation period, under which the project sponsor will have 30 days to arrange voluntary participant funding for the Preliminary Cost Allocation Project. After the negotiation period, the project sponsor must notify the Cost Allocation Task Force of the project sponsor's election to proceed with one of three options: (1) continue with cost allocation (whereby the Cost Allocation Task Force is to proceed with notifying the Planning Committee of the results of its cost allocation); (2) hybrid allocation (whereby one or more persons (excluding beneficiaries) voluntarily agree(s) to accept a specific allocation of cost for a Preliminary Cost Allocation Project); or (3) withdrawal (whereby the project sponsor voluntarily withdraws its request for cost allocation). If the hybrid allocation option is selected, the Cost Allocation Task Force will subtract the amount of cost allocation voluntarily accepted from the cost of the Preliminary Cost Allocation Project, and the remainder of the costs will be allocated to the beneficiaries in accordance with the methodology set forth in the proposed Attachment Ks.<sup>267</sup> Unless a Preliminary Cost Allocation Project is removed from cost allocation consideration, the Cost Allocation Task Force will select Preliminary Cost Allocation Projects submitted for purposes of cost allocation in the draft final regional transmission plan.<sup>268</sup> Filing Parties note that NorthernGrid's 30-day negotiation period is less than the six-month negotiation period the Commission accepted in the context of ColumbiaGrid.<sup>269</sup>

154. Filing Parties state that the analysis and results of Eligible Cost Allocation Projects are documented in the draft regional transmission plan, and the analyses and results of identifying regional transmission projects and interregional transmission projects, and completing cost allocation, are documented in the draft final regional transmission plan. Filing Parties explain that upon the consideration of comments from the Enrolled Parties and States Committee and stakeholders, the regional transmission plan will be issued for the planning cycle.<sup>270</sup> Filing Parties note that their proposed cost allocation process is similar to ColumbiaGrid's process.

155. Filing Parties state that their proposed Attachment Ks satisfy Regional Cost Allocation Principle 1 because they provide for the method of allocating costs to beneficiaries in a manner that is roughly commensurate with estimated benefits.<sup>271</sup> Filing

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<sup>267</sup> PacifiCorp OATT, Att. K, §§ 8.5.3, 8.5.4.

<sup>268</sup> *Id.* § 8.5.5.

<sup>269</sup> PacifiCorp Transmittal Letter at 27-28 (citing *Avista Corp.*, 143 FERC ¶ 61,255, at P 326 (2013)).

<sup>270</sup> *Id.* at 6 (citing PacifiCorp OATT, Att. K, § 9.2).

<sup>271</sup> *Id.* at 26-27.

Parties explain that once the Cost Allocation Task Force identifies the annualized costs, it examines the deferred costs, avoided capital costs, and increased useful available transfer capability to identify enrolled party beneficiaries, and thereafter allocate total project costs to beneficiaries in proportion to the benefits identified for each beneficiary.<sup>272</sup>

156. Filing Parties state that their proposed Attachment Ks satisfy Regional Cost Allocation Principle 2 because they provide that a transmission project's costs may only be allocated to enrolled party beneficiaries, and not involuntarily allocated to entities that do not receive benefits.<sup>273</sup> Filing Parties add that their proposed Attachment Ks allow entities, including parties not enrolled in NorthernGrid, to voluntarily accept a portion of that transmission project's total project costs.<sup>274</sup>

157. Filing Parties state that their proposed Attachment Ks satisfy Regional Cost Allocation Principle 3 because they include the 1.25 benefit-to-cost threshold.<sup>275</sup> Filing Parties note that they proposed changes to their Attachment Ks to consider the annualized costs and annualized benefits, assumed to continue over the life of the transmission project, in order to ensure consistency between the time periods in the computation of costs and benefits.<sup>276</sup>

158. Filing Parties state that their proposed Attachment Ks satisfy Regional Cost Allocation Principle 4 because their proposed Attachment Ks allocate the costs of a transmission project solely within the transmission planning region in which the cost allocation project is located,<sup>277</sup> although the proposed process also provides an opportunity for entities, including those that are not in the NorthernGrid transmission planning region, to voluntarily assume costs.<sup>278</sup> Filing Parties note that the Planning Committee will assess facilities necessary to mitigate material adverse impacts on a neighboring system,<sup>279</sup> and once the Planning Committee becomes aware of a material

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<sup>272</sup> *Id.* at 27 (citing PacifiCorp OATT, Att. K, §§ 8.4, 8.5.3).

<sup>273</sup> *Id.* at 28 (citing PacifiCorp OATT, Att. K, § 8.4).

<sup>274</sup> *Id.* at 28 (citing PacifiCorp OATT, Att. K, § 8.5.4).

<sup>275</sup> *Id.* at 28 (citing PacifiCorp OATT, Att. K, § 8.5.2).

<sup>276</sup> *Id.* at 26.

<sup>277</sup> *Id.* at 29 (citing PacifiCorp OATT, Att. K, §§ 8.1, 8.5.3, 1.32).

<sup>278</sup> *Id.* at 29 (citing PacifiCorp OATT, Att. K, § 8.5.4).

<sup>279</sup> *Id.* at 29 (citing PacifiCorp OATT, Att. K, § 6.3).

adverse impact of a transmission project, the project sponsor must address the impacts. According to Filing Parties, the proposed Attachment Ks provide that the transmission project will not be selected into the draft regional transmission plan if the impacts cannot be addressed, but otherwise, the costs to mitigate the material adverse impacts on neighboring systems will be added to the cost of the transmission project for allocation to enrolled party beneficiaries.<sup>280</sup>

159. Filing Parties state that their proposed Attachment Ks satisfy Regional Cost Allocation Principle 5 because they provide that the total project costs of transmission projects being evaluated for cost allocation are allocated to beneficiaries according to their benefits.<sup>281</sup> Filing Parties add that results from application of the cost allocation methodology for transmission projects sponsored by qualified developers are included in the draft regional transmission plan, which will be posted on the NorthernGrid website.<sup>282</sup> Filing Parties also note that the Cost Allocation Task Force posts notice of, and hold, public meetings in accordance with its charter to review these results, and document any comments received and the analyses, rationale, and results into the draft final regional transmission plan.

160. Filing Parties state that their proposed Attachment Ks satisfy Regional Cost Allocation Principle 6 because their proposed Attachment Ks identify only one cost allocation method that applies to all types of transmission facilities.<sup>283</sup>

**b. Commission Determination**

161. We find that Filing Parties' proposed Attachment Ks comply with the Regional Cost Allocation Principles of Order No. 1000 because they satisfy each of the six regional cost allocation principles described in Order No. 1000.<sup>284</sup> Filing Parties' proposed Attachment Ks meet the Order No. 1000 requirement that each public utility transmission provider have in place a method, or set of methods, for allocating the costs of new transmission facilities selected in the regional transmission plan for purposes of cost allocation.

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<sup>280</sup> *Id.* at 29 (citing PacifiCorp OATT, Att. K, § 8.2.1).

<sup>281</sup> *Id.* at 29-30.

<sup>282</sup> *Id.* at 30 (citing PacifiCorp OATT, Att. K, § 8.5.5).

<sup>283</sup> *Id.* at 30 (citing PacifiCorp OATT, Att. K, § 8.5).

<sup>284</sup> Order No. 1000, 136 FERC ¶ 61,051 at P 603.

162. With respect to Regional Cost Allocation Principle 1, Filing Parties submit a single cost allocation method to allocate the costs of new transmission facilities selected in the regional transmission plan for purposes of cost allocation in a manner that is at least roughly commensurate with identified benefits among beneficiaries. Filing Parties' proposed cost allocation determinations for transmission projects selected in the regional transmission plan for purposes of cost allocation are binding upon identified beneficiaries. We therefore find that Filing Parties' proposed Attachment Ks satisfy Regional Cost Allocation Principle 1.

163. Under Filing Parties' proposed regional cost allocation method, those that receive no benefit from transmission facilities, either at present or in a likely future scenario, are not involuntarily allocated any of the costs of such transmission facilities. We therefore find that Filing Parties' proposed Attachment Ks satisfy Regional Cost Allocation Principle 2.

164. Filing Parties' Proposed Attachment Ks adopt the 1.25 benefit-to-cost threshold. We find that this proposal satisfies Regional Cost Allocation Principle 3.

165. Filing Parties' proposed Attachment Ks allocate the costs of a transmission project solely within the transmission planning region in which the cost allocation project is located, although they also allow other transmission planning regions or entities to voluntarily assume costs. We therefore find that Filing Parties' proposed Attachment Ks satisfy Regional Cost Allocation Principle 4.

166. With respect to Regional Cost Allocation Principle 5, Filing Parties' proposed Attachment Ks provide that results from application of the cost allocation methodology for transmission projects are included in the draft regional transmission plan, which will be posted on the NorthernGrid website and discussed in public meetings held by the Cost Allocation Task Force. The proposed Attachment Ks also provide that the Cost Allocation Task Force will document any comments received, analyses, rationale, and results into the draft final regional transmission plan. We therefore find that Filing Parties' proposed Attachment Ks satisfy Regional Cost Allocation Principle 5.

167. We find that Filing Parties' proposed Attachment Ks satisfy Regional Cost Allocation Principle 6 because they identify only one cost allocation method that applies to all types of transmission facilities.

168. Finally, we find that the Filing Parties' proposed Attachment Ks address the concern stated in the December 2019 Order on the "incongruence in the time periods measuring the estimated transmission project costs and transmission project benefits, which could improperly exclude proposed transmission projects with positive net benefits from eligibility for selection in the regional transmission plan for purposes of cost allocation," by annualizing both costs and benefits over the life of the potential

transmission project to synchronize the time periods over which costs and benefits are measured for purposes of calculating the benefit-to-cost ratio.<sup>285</sup>

The Commission orders:

Filing Parties' proposed tariff revisions are hereby accepted, effective April 1, 2020, as discussed in the body of this order.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

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<sup>285</sup> See December 2019 Order, 169 FERC ¶ 61,249 at PP 50-52; PacifiCorp, OATT, Att. K, §§ 8.2, 8.4.