

# **DRAFT**

**[This draft has not been reviewed or approved by any party]**

## **Strawman for ColumbiaGrid Planning and Expansion Functional Agreement Transmission Providers<sup>1</sup>**

**May 11, 2007**

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<sup>1</sup> This draft is still a work in progress; another draft will be available and posted the evening of Monday, May 14<sup>th</sup>. The Planning Group and the Legal Drafting Team anticipate presenting the final version of this strawman to the ColumbiaGrid Board at its May 16<sup>th</sup> meeting for review, further public comment and, ultimately, action by the Board in the form of a recommendation to PEFA Transmission Providers that the final “ColumbiaGrid strawman”, with appropriate modifications to reflect their individual planning processes, be used for their Order No. 890 strawmen regarding regional planning.

## **I. INTRODUCTION**

The planning processes described below in this strawman [is designed to?] meet the nine planning principles enunciated in Order 890, yet preserve the responsibilities of the individual Transmission Provider under its Open Access Transmission Tariff (“OATT”).

The transmission service provided on an individual Transmission Provider’s Transmission System is governed by its OATT and its planning activities under the OATT are governed by Attachment K.

- For Network Service customers, applicable provisions of the Network Operating Agreements would apply in addition to the OATT and Attachment K. This would include, for example, provisions of the Network Operating Agreements or OATT for coordination of analysis of the need for and development of facilities upgrades. However, these procedures would be consistent with and do not supplant the requirements under Attachment K for planning under Attachment K, and the provision of information (and the resolution of disputes with respect thereto) under Attachment K and its planning processes).
- The LGIA and LGIP process does not supplant the requirements under Attachment K for planning under Attachment K and the provision of information (and the resolution of disputes with respect thereto) under Attachment K and its planning processes.
- The information exchange pursuant to Attachment K relates to planning, not to studies performed in response to interconnection or transmission service requests or information provided in connection with such requests. The provision of information in connection with such requests is separate from, and does not constitute submission of information for, the planning process pursuant to Attachment K.
- Since the Transmission Provider is ultimately responsible for compliance for its obligations under its OATT, customer requests are (and will continue to be) administered under the OATT provisions applicable to such requests rather than under Attachment K.

This strawman anticipates that the Transmission Provider’s OATT planning process for its system will mesh with the planning processes of ColumbiaGrid for multi-system projects and other local and sub-regional planning activities and the west-wide regional planning coordination services provided by WECC. Information regarding single-system planning activities will be provided to ColumbiaGrid and, if the systems of other transmission providers are involved, then the planning of such activities would be coordinated through the ColumbiaGrid planning processes.

The local and sub-regional planning processes and the regional planning coordination processes described in Attachment K should inform Transmission Customers, stakeholders, and other Transmission Providers of transmission conditions in the sub-region from a broader perspective so they can make more informed service requests of individual Transmission Providers.

## **II. COORDINATED, OPEN, AND TRANSPARENT PLANNING PROCESSES FOR SINGLE AND MULTIPLE TRANSMISSION SYSTEMS**

### **ColumbiaGrid Planning Processes.**

The ColumbiaGrid processes for coordinated planning among multiple transmission systems are designed to help

- (i) inform Transmission Customers, stakeholders, and other Transmission Providers of transmission conditions in the sub-region from a broader perspective so they can make more informed service requests of individual Transmission Providers, including clustered study requests that involve one or more Transmission Systems,
- (ii) ensure that Transmission Providers meet their respective obligations while addressing impacts of upgrades on other Transmission Systems, and
- (iii) coordinate planning of Transmission System upgrades.

ColumbiaGrid’s sub regional planning responsibilities are set out in the Planning and Expansion Functional Agreement (“PEFA”), which coordinates planning activities on a regional basis through a single (single-system) planning process for both public utility and non-public utility transmission providers. Participation in the PEFA is open to all qualified non-member parties as defined in the PEFA, which includes Northwest transmission providers, transmission customers, etc. In addition to ColumbiaGrid, the current parties to the PEFA (“Planning Parties”) include Avista Corporation, Bonneville Power Administration, Chelan County Public Utility District, Grant County Public Utility District, Puget Sound Energy, Inc., the City of Seattle, acting by and through its City Light Department, Snohomish County Public Utility District, and the City of Tacoma, Department of Public Utilities, Light Division (dba Tacoma Power). The Planning Parties include transmission owners subject to the Commission’s ratemaking jurisdiction, *i.e.*, public utilities with an OATT, as well as those that are not. *[Representatives of all of the Planning Parties participated in the development of this strawman?]* The PEFA defines a Planning Party that is a transmission provider as a Transmission Owner or Operator Planning Party or TOPP. *[cite]*

It should also be noted that in some respects, the PEFA goes beyond planning. The PEFA contains procedures that are designed to lead to agreements or Commission orders that require construction of facilities for EOPs.

### **Commission’s Nine Planning Principles.**

A description of how the ColumbiaGrid and the Transmission Provider’s local planning processes relate to the Commission’s nine planning principles follows. For a general summary of the ColumbiaGrid planning processes, the reader should refer to the PEFA filing letter; for a comprehensive description of what is in the PEFA, the reader should refer to the language of the PEFA itself. These documents are posted on the Transmission Provider’s OASIS, as well as *[what other source documents should be posted? E.g., By-laws?]*

1. **Coordination.** *Transmission providers must meet with all of their transmission customers and interconnected neighbors to develop a transmission plan on a nondiscriminatory basis.*

An underlying goal of the PEFA is an open, transparent, planning process that enables meaningful participation by and coordination of all interested parties.<sup>2</sup>

Coordination begins at the outset of the ColumbiaGrid planning process, and continues throughout the development of the ColumbiaGrid Biennial Plan. As a critical component of the Biennial Plan, ColumbiaGrid annually performs a system assessment of the TOPP’ Transmission Systems. The system assessment will determine the ability of each TOPP to serve, consistent with the Planning Criteria, its network load and native load obligations and other existing long-term firm transmission obligations anticipated to occur during the ten-year planning horizon. ColumbiaGrid will coordinate with all interested persons, including transmission customers and interconnected neighbors, in performing the system assessment<sup>3</sup> and preparing the draft system assessment report,<sup>4</sup> which will be included in the Biennial Plan.

A projected inability of a TOPP to meet its existing network, native load, and other existing firm transmission obligations is defined as a Need under the PEFA.<sup>5</sup> The ColumbiaGrid planning process places a special emphasis on meeting Needs that impact more than one Transmission System. Where the draft system assessment report identifies a Need that impacts more than one TOPP’s Transmission System, interested persons will have the opportunity to participate on study teams, which will coordinate study efforts and develop a plan to address the Need (“Existing Obligation

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<sup>2</sup> PEFA § 4.2.

<sup>3</sup> PEFA, Appendix A § 3(i)

<sup>4</sup> PEFA, Appendix A § 3(ii)

<sup>5</sup> See PEFA § 1.27.

Project” or “EOP”<sup>6</sup>). ColumbiaGrid may also form study teams<sup>7</sup> to study and plan on a coordinated basis for Requested Service Projects<sup>8</sup> and Capacity Increase Projects<sup>9</sup>, which study teams coordinate among all Planning Parties, affected parties, and, to the extent consistent with the OATT, interested persons. Provision is also made in the PEFA, if there is sufficient interest, for the expansion of EOPs, Requested Service Projects, Capacity Increase Projects, and Single System Projects [cite] (“Expanded Scope Projects”)[cite] in which case ColumbiaGrid will form a study team that is open to participation by and coordination with all interested persons.

State agencies and Tribes are encouraged to participate in ColumbiaGrid’s planning processes. In order to facilitate their participation and meet their needs, pursuant to the PEFA, ColumbiaGrid is charged with and is currently working to develop a protocol to foster the collaborative involvement of affected States (including agencies responsible for facility siting, utility regulation, and general energy policy) and of Tribal representatives. [add citation]

ColumbiaGrid planning processes also coordinate with utility resource planning decisions, including the results of Integrated Resource Plan processes and other resource planning processes, by integrating such decisions into ColumbiaGrid planning processes [as part of the system assessment].

Network load customers should complete a load and resource planning process (such as an integrated resource planning process). Insofar as practicable, these planning processes and the Attachment K planning processes should be on a synchronized schedule.

Even where a proposed project may not impact other transmission systems, transmission providers coordinate with their local customers or stakeholders on single-system projects (including non-transmission solutions) pursuant to their respective Attachment Ks.

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<sup>6</sup> An EOP is any modification to be made to the Regional Interconnected Systems that is: (i) for the purpose of meeting a Need on a TOPP’s system; (ii) not a Single System Project; and (iii) approved by the Board and included as an EOP in a Plan. See PEFA § 1.16. [Define TOPP earlier in document?]

<sup>7</sup> The distribution of information in Study Teams may be limited consistent with CEII requirements and, with respect to Requested Service Projects Study Teams, scope of participation must be consistent with OATT requirements.

<sup>8</sup> A “Requested Service Project” means any modification of the Regional Interconnected Systems that (i) is for the purpose of providing service pursuant to a transmission service or interconnection request made to a TOPP; and (ii) involves more than one transmission system. See PEFA § 1.50.

<sup>9</sup> A “Capacity Increase Project” means a voluntary modification of the Regional Interconnected Systems that is (i) for the purpose of increasing transmission capacity on the Regional Interconnected Systems; (ii) voluntarily undertaken by one or more Planning Parties; and (iii) not an Existing Obligation Project or Requested Service Project. See PEFA § 1.7.

2. ***Openness.*** *Transmission planning meetings must be open to all affected parties, including, but not limited to, all transmission and interconnection customers, state commissions, and other stakeholders.*

The process described above to provide coordination inherently promotes openness. Further, the ColumbiaGrid planning process is open to all interested persons, including affected parties, during its different stages. The process includes an annual system assessment, performed by ColumbiaGrid in coordination with Planning Parties and Interested Persons. ColumbiaGrid notifies all interested and affected persons regarding the formation of study teams and their activities arising from the open annual system assessment, transmission service requests, or the submittal of a potential project to ColumbiaGrid. To the extent consistent with OATTs, interested persons can participate in study teams. ColumbiaGrid is required to notify affected persons of the development of a potential project, invite them to participate and, if they so choose, involve them in a study team.<sup>10</sup> ColumbiaGrid compiles the study teams' products and other relevant information into the draft Biennial Plan. All interested parties, including affected parties, will have the opportunity to review and submit comments on the draft Biennial Plan.<sup>11</sup> To facilitate such input, the documents and materials related to the planning process will be posted on the ColumbiaGrid website and on each ColumbiaGrid transmission providers member transmission provider's OASIS. At various stages in the process, materials are provided to the Board for their input and approval, which provides further opportunities for public input at the Board's open meetings.

3. ***Transparency.*** *Transmission providers must disclose to all customers and other stakeholders the basic criteria, assumptions, and data that underlie their transmission system plans. In addition, transmission providers will be required to reduce to writing and make available the basic methodology, criteria, and processes they use to develop their transmission plans, including how they treat retail load.*

The process described above to provide coordination and openness inherently promotes transparency. ColumbiaGrid, as a separate non-profit corporation, offers an element of transparency to the planning process. ColumbiaGrid will provide a non-discriminatory forum where all stakeholders, customers, and transmission users can bring forward recent and salient information concerning the Regional Interconnected Systems<sup>12</sup> into the planning process.

In addition to posting general planning criteria<sup>13</sup>, ColumbiaGrid is charged with providing transparency throughout its planning process. For example, ColumbiaGrid

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<sup>10</sup> PEFA § 4.3.

<sup>11</sup> PEFA, Appendix A, § 10.2.

<sup>12</sup> Insert definition of RIS.

<sup>13</sup> See PEFA, Appendix A, § 2.

will post the system assessment results.<sup>14</sup> With respect to Needs Statements, ColumbiaGrid is required to post the narrative description of the Need, underlying assumptions, applicable planning criteria, and methodology used to determine the Need.<sup>15</sup> ColumbiaGrid will also post drafts of summaries of progress of the Study Teams.<sup>16</sup> In addition, ColumbiaGrid will make available the draft Biennial Plan, study reports and electronic data files.<sup>17</sup> Such information will be made available subject to appropriate protection of Confidential Information and CEII.<sup>18</sup> The public will have multiple opportunities to supply information and provide written or oral comments which, in turn, will be made public consistent with OATT requirements.<sup>19</sup>

4. ***Information Exchange.*** *Transmission providers, in consultation with their customers and other stakeholders, must develop guidelines and schedules for network and point-to-point transmission customers to submit information on their projected loads and resources on a comparable basis to transmission providers' native load planning.*

**Provision of Information to ColumbiaGrid.** The ColumbiaGrid planning process enables customers and stakeholders to submit information on their projected loads and resources in the planning process. The standard practice envisioned under the ColumbiaGrid planning process is that the TOPPs will receive information from customers on their projected loads, resources, and transmission needs; such TOPPs, in turn, will provide that information to ColumbiaGrid, which will take the information into account in drafting the Biennial Plan and performing the system assessments.

Customers and stakeholders will also have the opportunity to bring relevant information into the ColumbiaGrid planning process at other stages of that process. As noted above, the public will have the opportunity to review and submit comments on the draft Biennial Plan.<sup>20</sup> ColumbiaGrid will also coordinate with interested persons and Planning Parties in performing the system assessment. In addition, to the extent consistent with OATT, all interested and affected persons, including customers and stakeholders, may participate on study teams.<sup>21</sup>

The ColumbiaGrid PEFA requires its Transmission Providers to keep ColumbiaGrid informed of their local plans. This would include Single System projects which do not involve the requirements to proceed with planning through ColumbiaGrid PEFA processes.

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<sup>14</sup> PEFA, Appendix A, § 3.1.

<sup>15</sup> Section 3(v)(1) of Appendix A of the PEFA

<sup>16</sup> PEFA, Appendix A, § 4.1.2.

<sup>17</sup> PEFA, Appendix A, § 10.2.

<sup>18</sup> PEFA § 4.2.

<sup>19</sup> PEFA, Appendix A, § 10.2.

<sup>20</sup> PEFA, Appendix A, § 10.2.

<sup>21</sup> PEFA § 4.3. Track limitation on study team participation

Annually, the Transmission Provider will receive information from its Transmission Customers for Attachment K planning. This information may include, but is not necessarily limited to, (i) Network Load and Network Resource forecasts and the other information contemplated by section 31.6 of the OATT, (ii) equivalent information from Point to Point Customers, such as projections of the need for and usage of Point to Point Transmission Service (and at what receipt and delivery points), and (iii) information on existing and planned demand resources and their impacts on demand and peak demand. Such information shall be provided annually in accordance with guidelines and schedules identified in advance for submittal of information developed by the Transmission Provider in consultation with its customers. However, the exchange of Attachment K planning information should be a continual process, and Transmission Customers are to provide Transmission Provider with timely written notice of material changes in any information previously provided relating to its load, its resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Providers ability to provide reliable service.

**Provision of Information From ColumbiaGrid.** *[Information being provided as part of ColumbiaGrid open and transparent process -- pursuant to Section 10.4 of the Bylaws – 4.7 of the PEFA - requires ColumbiaGrid to develop policies re sharing information with third parties subject to confidentiality/CEII provisions]*

With the consent of the affected Planning Parties, ColumbiaGrid also may coordinate and submit such Transmission Parties' transmission system data as required by regional and sub-regional transmission planning forums, committees, and work groups.<sup>22</sup>

5. ***Comparability.*** *Transmission providers, after consulting data and comments submitted by customers and other stakeholders, must develop a transmission system plan that (a) meets the specific service requests of transmission customers; and (b) otherwise treats similarly-situated customers comparably in transmission system planning.*

The PEFA is designed to promote comparability. The draft Biennial Plan is presented to the ColumbiaGrid Board in open meetings and developed in a public planning process.<sup>23</sup> ColumbiaGrid's system assessment takes into account native, network, and point-to-point load together for purposes of determining whether facilities are needed. An EOP may be developed when it is anticipated that a Planning Party will not be able to meet its existing obligations related to such loads, but does not elevate any type of customer or prospective customer need above another in a non-comparable manner.<sup>24</sup>

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<sup>22</sup> See PEFA, § 7.

<sup>23</sup> PEFA, Appendix A, § 10.2.

<sup>24</sup> See PEFA § 1.16.

[Add references to system assessment – opp to comment – Section 3(v) – note in draft Need statement Staff determined content and report the comments of Affected Persons – anyone can participate in study team – data, everything is made publicly available – all go to promote comparability]

Utilities that engage in resource acquisition should consider demand-side resources and generation on an integrated basis. ColumbiaGrid facilitates the implementation of sponsored non-transmission solutions, whether they be demand-side or generation, by including such solutions in its planning process if ColumbiaGrid has confirmed that such solution addresses an identified transmission system need.

6. ***Dispute Resolution.*** *Transmission providers must develop a dispute resolution process to manage disputes that arise from the planning process.*

ColumbiaGrid itself constitutes a dispute resolution mechanism. ColumbiaGrid is a separate entity that makes decisions or recommendations regarding multi-system planning issues, and thus provides a neutral forum through which transmission customers, TOPPs, and other stakeholders can raise and address issues arising out of TOPPs' planning activities. Indeed, the PEFA's division of responsibilities between ColumbiaGrid's Board and staff provides multiple opportunities for neutral mediation and recommendations. Stated generally, the staff acts as facilitators/mediators of the study teams' discussions. If the affected parties participating in the study team cannot reach complete agreement on a plan of service, the staff exercises its independent judgment and recommends solutions to items that have not been resolved. All interested persons have an additional opportunity to present their perspectives when the staff's recommendation is presented to the Board. When reviewing the draft Biennial Plan, the Board can remand items back to the Staff for further work and public input.

**Dispute Resolution Processes Under the OATT That Arise Under Attachment K.**

The dispute resolution process applicable to disputes arising in connection with the Attachment K planning process depends upon the issue to be resolved. Disputes or claims that arise out of or in connection with the access to information (or the terms and conditions upon which access to such information is to be provided) in connection with the Attachment K planning process ("Information Exchange Disputes") would be resolved in accordance with the dispute resolution processes to be detailed in Attachment K. Disputes and issues that arise in connection with the ColumbiaGrid planning process but that are not Information Exchange Disputes are first addressed by the processes as described in the PEFA, but nothing in Attachment K shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

For example, there is a process for reconsideration of a Board decision. Under this process, if reconsideration is sought, ColumbiaGrid will convene a meeting, chaired by the ColumbiaGrid President, to which it invites the chief executive officer or equivalent executive of all Affected Persons to determine whether they can reach

agreement on the disputed decision.<sup>25</sup> If agreement is not reached, the Board shall pursue the reconsideration process.<sup>26</sup> The reconsideration process will provide for input from all involved Persons (including Planning Parties) and Staff, and the Board will make its recommended decision known within 90 days from the date of the request.

Although arbitration is provided in instances where parties disagree over the release of information, the ColumbiaGrid planning process does not provide for binding arbitration for all disputes. Recognizing the diverse makeup of the Planning Parties as well as the desire to attract even broader participation, the Planning Parties agreed not to subject all disputes to binding arbitration because many entities had restrictions against it in their enabling statutes. The Planning Parties believe that their approach to dispute resolution maintains the balance between the necessary dispute resolution elements without sacrificing the diversity of the Planning Parties.

Disputes that arise in connection with the Attachment K planning processes but that are not addressed and resolved by the foregoing Attachment K dispute resolution processes may be addressed, with the agreement of all parties to the dispute, through non-binding mediation using the FERC Dispute Resolution Service or other non-binding mediation mechanism mutually agreeable to all parties to the dispute.

It should be noted that dispute resolution mechanisms under the WECC Bylaws are available to resolve *certain* disputes between a Member of WECC or between WECC and one or more Members of WECC. However, those dispute resolution mechanisms by their terms do not appear to be applicable to disputes arising in connection with Attachment K planning processes.

**Dispute Resolution Processes Under the OATT That Do Not Arise Under Attachment K.** Disputes that arise under the OATT that do not arise in connection with Attachment K planning process are subject to applicable dispute resolution processes under the OATT, such as section 12 thereof.

**Dispute Resolution Processes Under the LGIA That Do Not Arise Under Attachment K.** Disputes that arise under the LGIA that do not arise in connection with Attachment K planning process are subject to applicable dispute resolution processes under the LGIA.

7. ***Regional Participation.*** *In addition to preparing a system plan for its own control area, each transmission provider must coordinate with interconnected systems to (a) share system plans to ensure that they are simultaneously feasible and otherwise use consistent assumptions and data; and (b) identify system enhancements that could relieve congestion or integrate new resources.*

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<sup>25</sup> PEFA, Appendix A, §10.4.4.

<sup>26</sup> *See id.*

ColumbiaGrid planning processes is the primary mechanism by which Transmission Providers that are Parties to the PEFA coordinate their transmission system plans. In addition, the PEFA requires coordination with entities that are not Planning Parties, to the extent possible. The PEFA requires ColumbiaGrid to interact with other regional entities and provide venues for exchange of information. Towards that end, ColumbiaGrid may become a member of and participate in appropriate transmission planning forums, committees, and work groups applicable to the geographic areas served by the Planning Parties for purposes of collecting and sharing information, and has become a member of both WECC and the Northwest Power Pool. With the consent of the affected Planning Parties, ColumbiaGrid also may coordinate and submit such Transmission Parties' transmission system data as required by such forums, committees, and work groups.<sup>27</sup>

Moreover, the PEFA requires that ColumbiaGrid projects not result in material adverse impacts to Transmission Systems, including the systems of non-Planning Parties. In order to ensure this, ColumbiaGrid identifies parties potentially impacted by a proposed solution/project, notifies them, and invites them to be involved in a study team. Even if an affected party chooses not to be involved, a project must appropriately mitigate adverse material negative impacts before it can be included in the biennial plan.

The Planning Parties are committed to regional planning and, in fact, have contractually committed to plan for their multi-system Needs at ColumbiaGrid. They are also committed to working with other sub regional planning groups and other Northwest parties to coordinate and reconcile multiple planning efforts to avoid conflicts between multiple plans in circumstances in which needs and proposed projects overlap or affect one another. One possible vehicle for this coordination is joint study teams.

It should be noted, however, that because of the configuration of the Regional Interconnected Systems, [*jointly-owned segmented and parallel lines, location of facilities*], there are no seams in the Northwest in the classic sense of a geographic boundary. As the Northwest is, in effect, a single planning area, the most efficient and effective way to coordinate planning would be a single process. Northwest Transmission Providers worked diligently for over 10 years to develop a single entity responsible for northwest planning and expansion from a single-system perspective. Despite everyone's best efforts, however, those efforts were not successful. That said, in the face of an ever increasing need for new transmission facilities, and with the recognition that regional planning is a valuable tool, Northwest Transmission Providers have continued to move forward in a variety of forums to establish coordinated regional planning. While the Planning Parties are committed to working with other sub regional planning efforts and the rest of the region, and believe that much can be accomplished through joint study teams and other mechanisms, the issue of how to address conflicts between sub regional plans, if cooperative efforts are not successful, is a difficult one. [*More needed – FERC Dispute Resolution Service or*

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<sup>27</sup> See PEFA, § 7.

*other non-binding mediation mechanism mutually agreeable to all parties to the dispute could be used, but just a patch]*

8. **Economic Planning Studies.** *Customers and stakeholders are given the right to request a defined number of high priority economic planning studies annually to address congestion and/or the integration of new resources or loads.*

In Order No. 890, the Commission stated that regional congestion studies can be used as part of the regional transmission planning process required under the Final Rule. There are a variety of studies that can be used to provide such analysis, including (i) production cost modeling which identifies the location and cost of congestion and (ii) other economic studies that are not production cost model studies that identify and develop cost estimates for projects to address the congestion (“project development studies”). Under appropriate windows for submission of requests for economic studies, upon receipt of requests, the Transmission Provider will work with ColumbiaGrid to determine what analysis is appropriate to evaluate the request. Production cost modeling requires extensive modeling tools and expertise, and will be done at WECC. Through a public meeting, WECC would triage and develop a synchronized study plan, including study leads, clustering of studies, and relative priority of studies. Other project development studies will be employed by Transmission Providers in the ColumbiaGrid planning process. ColumbiaGrid will notify WECC of any project development studies being performed in the ColumbiaGrid planning process.

9. **Cost Allocation for New Projects.** *Transmission providers’ planning processes must address cost allocation of costs of new facilities. The Commission is not imposing a particular allocation method, but does remind transmission providers of the three factors it will consider in any dispute over cost allocation: (i) whether the cost allocation proposal fairly assigns costs among participants; (ii) whether the proposal provides adequate incentives to construct new transmission; and (iii) whether the proposal is generally supported by state authorities and participants across the region.*

The PEFA allows parties to reach mutual agreement on cost allocation on a case-by-case basis. In the event the parties cannot reach agreement, ColumbiaGrid will recommend costs allocation for EOPs and, at the request of the parties, for Capacity Increase Projects. See PEFA, §§ 5.4 and 8.4. Further, the scope of any project may be expanded if there is sufficient interest. [cite PEFA] As the expansion would be for purposes of increasing capacity, upon the request of the parties, ColumbiaGrid may recommend a cost allocation for the costs of the expansion.

ColumbiaGrid has indicated that in making its recommendations, it will consider: (i) whether a cost allocation proposal fairly assigns costs among participants, including those who cause them to be incurred and those who otherwise benefit from them; (ii) whether a cost allocation proposal provides adequate incentives to construct new

transmission; and (iii) whether the proposal is generally supported by State authorities and participants across the region.

### **III. WECC TRANSMISSION PLANNING COORDINATION SERVICES**

The Planning Parties would like WECC to provide the following activities to supplement the ColumbiaGrid planning processes regarding economic studies. These activities will supplement the current regional planning services provided by WECC to the Transmission Provider. .

- As discussed above in \_\_\_\_\_, WECC will provide production cost modeling services.
- WECC should also be the official repository for economic data needed to perform production cost modeling.
- This data should be available to all stakeholders to replicate the studies.