

COLUMBIAGRID

ATTACHMENT K TEMPLATE¹

PART I.

INTRODUCTION

[Insert paragraph summarizing Transmission Provider local planning process]

In its transmission planning process, the Transmission Provider will communicate regarding its transmission planning with other Northwest and other neighboring transmission providers and Interested Persons in the ColumbiaGrid planning process. The ColumbiaGrid planning process is structured to support and manage the coordination of the multi-system planning of the ColumbiaGrid Transmission Owner or Operator Planning Parties (“TOPPs”), including related studies. Such responsibilities are detailed in the ColumbiaGrid Planning and Expansion Functional Agreement (“PEFA”) which is posted on the ColumbiaGrid Website. In addition, the PEFA requires ColumbiaGrid to coordinate with entities that are not Planning Parties, to the extent possible. 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.

Further, the Transmission Provider participates in coordinated planning throughout the Western Interconnection as a whole through its membership in the Western Electricity Coordinating Council (“WECC”) and participation in the WECC Transmission Expansion Planning Policy Committee (“TEPPC”). TEPPC provides for the development and maintenance of an economic transmission study database for the entire Western Interconnection and performs congestion studies at the Western Interconnection region level.

^{1/} This Attachment K Template was prepared by the PEFA Planning Parties and other Interested Persons in the ColumbiaGrid Legal Drafting Team forum. The PEFA TOPPs who post draft Attachment Ks intend to use this Attachment K Template as the foundation of their Attachment Ks.

PART II.

RESPONSIBILITIES UNDER ATTACHMENT K

The planning processes described in this Attachment K are intended to result in an annually updated Transmission Provider plan while preserving the responsibilities of the Transmission Provider under other provisions of its OATT to provide transmission and interconnection service on its Transmission System.

This Attachment K describes the process in which the Transmission Provider intends to coordinate with its Transmission Customers, neighboring transmission providers, affected state authorities, and other stakeholders. This Attachment K, however, does not dictate or establish which investments identified in a transmission plan should be performed, or how such investments should be compensated.

This Attachment K describes a planning process that contemplates actions by not only the Transmission Provider and its customers under this Tariff, but also others that may not be bound to comply with this Attachment K, such as other transmission providers (and their transmission or interconnection customers), States, Tribes, WECC, sub-regional planning groups, and other stakeholders and Interested Persons. The Transmission Provider may be obligated as specified elsewhere in this Attachment K to participate in planning activities, including providing data and notices of its activities, and soliciting and considering written comments of stakeholders and Interested Persons. However, this Attachment K contemplates cooperation and activities by entities that may not be bound by contract or regulation to perform the activities described for them. Failure by any other entity other than the Transmission Provider to cooperate or perform as contemplated under this Attachment K may frustrate or impede, or prevent performance by, the Transmission Provider of activities as described in this Attachment K. The Transmission Provider shall use reasonable efforts to secure the performance of other entities with respect to the planning activities described in this Attachment K, but shall have no other or additional obligation for ensuring, the cooperation or performance by any other entity described in or contemplated by this Attachment K.

If any Transmission Customer fails to provide data as required by this Attachment K, the Transmission Provider cannot effectively include such customer and its needs in the Transmission Provider's planning.

PART III.
TRANSMISSION PROVIDER LOCAL PLANNING PROCESS
[INSERT LOCAL PLANNING PROCESS]²

^{2/} The PEFA TOPPs coordinated the development of their local planning provisions of Attachment K through ColumbiaGrid.

PART IV.

THE COLUMBIAGRID TRANSMISSION PLANNING PROCESS

1. Overview

The Transmission Provider participates in regional planning as a party to the PEFA. ColumbiaGrid is a non-profit membership corporation whose purpose is to coordinate the use and expansion of participating transmission networks through transparent processes and thereby improve the operational efficiency, reliability, and planned expansion of the Pacific Northwest transmission grid.

ColumbiaGrid will hold regular noticed meetings. ColumbiaGrid will provide notice to all Interested Persons, potentially Affected Persons, and States and Tribes and post such notice on its Website. Interested Persons include any Person who is interested in ColumbiaGrid activities and has requested notice.

ColumbiaGrid has taken additional steps to encourage the participation of States and Tribes in ColumbiaGrid's planning process through the development and implementation of communications protocols. The State protocol includes advance notice to State agencies, and an opportunity for direct consultation with the Board at the request of any affected State agency. The Tribal protocol provides that ColumbiaGrid will notify individual Tribal officers of Projects that would affect the Tribe, including information regarding meetings and activities for a particular Project and point of contact. ColumbiaGrid has posted these protocols on its Website.

ColumbiaGrid prepares biennial transmission plans ("Biennial Plan") based on the principle of single-utility planning that, over a ten-year Planning Horizon, is intended to identify and resolve projected Needs on the Transmission Systems of parties to the PEFA ("PEFA Parties") for serving existing long-term firm transmission obligations. ColumbiaGrid facilitates an open and transparent planning process for all Interested Persons designed to promote consensus among affected entities to address such projected Needs that affect more than one Transmission System. If such consensus is not reached, ColumbiaGrid staff will propose transmission Projects to resolve projected Needs, including cost and benefit allocation, and submit such transmission Projects to the ColumbiaGrid Board for approval.

Under the Columbia Grid planning process, ColumbiaGrid will prepare a draft Biennial Plan during each Planning Cycle, which is defined as approximately 24 months. The Planning Horizon of the Plan, however, will be the longer of ten years or the period required by the Commission in its *pro forma* open access transmission tariff. Throughout the planning process, drafts of the Biennial Plan will be posted on the ColumbiaGrid Website as they become available.

As a primary component of the Plan, ColumbiaGrid will annually perform a system assessment of the Regional Interconnected Systems to 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 Planning Horizon. A projected inability to meet such obligations is defined as a Need under the Agreement. For Needs so identified, ColumbiaGrid will create a draft Needs Statement, which will identify proposed solutions and will distinguish among those transmission solutions that can be implemented by a Party on a single system basis, without “Material Adverse Impact” on other Parties, and those transmission solutions that impact the Regional Interconnected Systems and must be implemented on a coordinated basis. Multi-system Projects are discussed further below.

The Biennial Plan will be developed using a “single utility” planning goal and thus will consider all planned Transmission System modifications of the Parties affecting the Regional Interconnected Systems. The planning process identifies several basic types of such modifications according to their primary characteristics and their impact on the Regional Interconnected Systems, including: Existing Obligation Project (“EOP”); Requested Service Project; Single System Project; Capacity Increase Project; and Expanded Scope Project.

Transmission System modifications that will impact more than one Transmission System, such as EOPs and Requested Service Projects, must be approved by a majority vote of the ColumbiaGrid Board before they can be incorporated into the Plan. Transmission System modifications that will impact only a single Party’s Transmission System, such as a Single System Project, are included in the Plan for informational purposes. The Plan will also include other information, including, for example, the status of agreement among Affected Persons with respect to any Project, information regarding any Project for which planning through ColumbiaGrid is underway but not yet ready for implementation, and any Project for which planning is still at a conceptual or preliminary stage.

ColumbiaGrid facilitates coordinated planning of all multi-system transmission Projects. If the annual system assessment identifies a Need that implicates a multi-system transmission Project, ColumbiaGrid will develop conceptual transmission solutions to the Need through the creation and use of Study Teams. The Study Teams will be the primary tool for participation by Planning Parties, Affected Persons, and Interested Persons in the development of transmission Projects included in the Plan.

The objectives of a Study Team will vary depending on the Need identified. The objective of each Study Team for EOPs and Requested Service Projects will be to collaboratively develop a transmission Project that, with respect to an EOP, addresses a Need Statement, and with respect to a Requested Service Project that affects more than a single Transmission System, serves the request for service in a manner that meets time constraints in developing a Requested Service Project. Study Teams for Capacity Increase Projects will limit their activities to identifying and addressing any Material Adverse Impacts that may result from such Project. A Study Team may also be formed, however, to assist in the development of a Capacity Increase Project, if requested by the Project’s sponsor.

ColumbiaGrid’s annual system assessment may identify Needs that do not implicate a multi-Transmission System Project, but that can be addressed through Projects on a single

Transmission System instead. In that case, ColumbiaGrid will notify the Party of the Need, and if the Party concludes that such Need may be resolved on its Transmission System, the Party will notify ColumbiaGrid of the resolution. Any Affected Person, however, may request a Study Team to evaluate Material Adverse Impacts resulting from a Single System Project, and if there are such unmitigated impacts, the Project will be developed as an EOP.

The planning process also will consider addressing Needs through Non-Transmission Alternatives, including demand-side load reduction programs, peak-shaving projects and distributed generation. In particular, a Study Team will evaluate whether a Non-Transmission Alternative sponsored by a TOPP eliminates or defers a Need. If so, the Non-Transmission Alternative will be noted in the Plan and included in the assumptions used in future system assessments. Non-TOPPs may also propose Non-Transmission Alternatives, and ColumbiaGrid shall refer such non-TOPP to the TOPP(s) on whose system(s) such alternative may exist for discussion, study, and possible TOPP sponsorship.^{3/}

As noted above, transmission system modifications that will impact more than one Transmission System, such as EOPs and Requested Service Projects, must be approved by a majority vote of the ColumbiaGrid Board before they can be incorporated into the final Biennial Plan. However, proposed EOPs and Requested Service Projects will not be included in a draft Biennial Plan submitted to the Board until all Affected Persons have reached agreement on such Projects. If agreement on an EOP has not been reached, ColumbiaGrid staff may make a recommendation to the Board on whether to include it in the Draft Biennial Plan. ColumbiaGrid staff's recommendation can include an equitable allocation of costs to construct the facilities and of transmission capacity increased or maintained where no agreement has been reached on those EOP elements.

The ColumbiaGrid planning process is intended to be collaborative and to encourage Affected Persons to reach agreement on EOPs. However, if the Affected Persons are unable to reach agreement on an EOP by the time it is approved by the ColumbiaGrid Board, ColumbiaGrid may provide the Affected Persons a form of Facilities Agreement to implement the EOP.

The ColumbiaGrid coordinated planning process will be conducted in an open and transparent manner. ColumbiaGrid will seek to notify all Affected Persons and Interested Persons regarding Study Team activities. In addition, ColumbiaGrid has a protocol to foster the collaborative involvement of affected Tribes and States, including agencies responsible for facility siting, utility regulation, and general energy policy.

Although the planning process identified in the ColumbiaGrid Transmission Planning Process is described sequentially, the planning activities may be performed on a flexible, iterative, and non-sequential basis. In the event of any conflict between this description of the ColumbiaGrid planning process and the PEFA on file with the Commission, the PEFA shall control.

^{3/} See Planning Agreement, Appendix A, § 5.3.

2. Planning Criteria

ColumbiaGrid shall apply the then current versions of the following as Planning Criteria for its system assessment, System Assessment Reports, and Needs Statements:

- (i) planning standards applicable to TOPPs pursuant to law or regulation;
- (ii) NERC/WECC planning standards;
- (iii) recognized regional planning or other reliability or transmission adequacy criteria developed by the consensus of the TOPPs for use on the Transmission Systems (ColumbiaGrid may sponsor a process for development of such criteria); *provided that* a TOPP may have other planning criteria, as posted on such TOPP's OASIS, that are more stringent than the ColumbiaGrid standards for use on its own system; and
- (iv) with respect to planning criteria applicable to any particular TOPP, such additional criteria then accepted by such TOPP and communicated to ColumbiaGrid by written notice; *provided that* any such additional criteria shall apply only to such TOPP. Any local or individual TOPP planning criteria are addressed in other portions of this Attachment K.

By participating in a Study Team, Study Team participants will have access to specific Planning Criteria as they are being applied to the Project as it is developed by a Study Team.

3. System Assessment Report and Need Statements

Each year, ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, shall prepare a Draft System Assessment Report and Draft Need Statements for the Biennial Plan then being developed; *provided that* Draft Need Statements need not be prepared for a Draft System Assessment Report for the second year of a Planning Cycle for any Need already identified in the previous system assessment or for any Need that does not require a Near-Term EOP solution. ColumbiaGrid intends to identify the underlying criteria, assumptions, and data and software or analytical tools used in the Draft System Assessment Report so that the analysis in such Draft System Assessment Report can be replicated.

The procedure for the preparation of the Draft System Assessment Report and Draft Need Statements shall be as follows:

- (i) ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, shall perform a system assessment through screening studies of the RIS using the Planning Criteria to determine the ability of each TOPP to serve, consistent with the Planning Criteria, its network load and native load obligations, if any, and other existing long-term firm transmission obligations that are anticipated to occur during the Planning Horizon. ColumbiaGrid shall base such assessment on the then current and appropriate

WECC planning base cases; *provided that* Planning Parties shall provide updates to the input previously provided to ColumbiaGrid pursuant to section 4.6 of the PEFA that was used by WECC to develop the planning base case. ColumbiaGrid shall update the then current WECC planning base case to reflect such updated information so that the system assessment reflects on-going transmission Projects on the RIS and the likely completion dates of such Projects to the extent such Projects and completion dates are reasonably forecasted to occur prior to the end of the Planning Horizon. ColumbiaGrid shall post drafts of the system assessment results as they become available during the system assessment process on its Website subject to any appropriate conditions to protect Confidential Information and CEII.

(ii) ColumbiaGrid, in coordination with Planning Parties and Interested Persons, shall prepare a Draft System Assessment Report. Such Draft Report shall identify Needs that the system assessment has projected to occur during the Planning Horizon.

(iii) On an on-going basis, each TOPP shall endeavor to inform Staff of any material change in conditions or any Need with respect to such TOPP (anticipated to occur during the Planning Horizon) that is not reflected in the system assessment. ColumbiaGrid shall include any such Needs in its Draft System Assessment Report.

(iv) ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, shall develop conceptual transmission solutions to any Need that is not expected to result in a Single System Project. ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, shall then identify which of such Needs and related conceptual solutions are likely to result in Near-Term EOPs.

(v) ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, shall develop a Draft Need Statement for each such Need and its conceptual transmission solution so identified. Each such Draft Need Statement shall include the following information at a minimum:

- (1) a narrative description of the Need and the assumptions, applicable Planning Criteria, and methodology used to determine the Need;
- (2) one or more conceptual transmission-based solutions to meet the Need with estimated timelines and estimated costs to implement each such solution; and
- (3) an indication of whether a non-transmission solution might be viable to eliminate or delay the necessity for such a transmission-based solution.

In the event that the Planning Parties, Affected Persons and ColumbiaGrid do not reach consensus on the content of any such Draft Need Statement, Staff shall determine the content of such Draft Need Statement; *provided that* in making its determination, Staff shall consider any comments and possible transmission solutions suggested by any Planning Party or Affected Person; *provided further that* ColumbiaGrid shall note in the Draft Need Statement that it determined the content of such statement and shall report the comments of Planning Parties and Affected Persons.

(vi) ColumbiaGrid shall post drafts of the Draft Need Statements, as they become available, on the Website subject to any appropriate conditions to protect Confidential Information and CEII.

(vii) ColumbiaGrid, in coordination with the Planning Parties and Affected Persons, will continue to work on Needs not likely to result in Near-Term EOPs as needed and appropriate over time notwithstanding the fact that Draft Need Statements for such Needs need not be prepared and included in the then current Draft System Assessment Report and Draft Need Statements.

(viii) ColumbiaGrid shall present the Draft System Assessment Report and Draft Need Statements to the Board for review and comment.

4. Study Teams

ColumbiaGrid shall participate in and, as needed, facilitate and manage Study Teams. Planning Parties shall, and Affected Persons and Interested Persons may, actively participate in ColumbiaGrid planning activities through membership in Study Teams. ColumbiaGrid intends to post information regarding Study Team schedules and procedures for Interested Persons participation on its Website.

4.1.1 Scope of Study Team Activities

The objective of each Study Team for EOPs and Requested Service Projects shall be to collaboratively and timely develop a Project that, with respect to an EOP, addresses a Need Statement and, with respect to a Requested Service Project that affects more than a single Transmission System, serves the request for service in a manner that meets time constraints in developing a Requested Service Project. Study Teams for Capacity Increase Projects shall limit their activities to identifying and addressing Material Adverse Impacts resulting from such Project, if any; *provided* upon the request of such a Project's sponsor, Study Teams for such Projects may assist the Project's sponsor in the development of other elements of such Project.

4.1.2 Notice to Potentially Interested Persons

ColumbiaGrid in consultation with each Study Team shall endeavor to notify the following Persons of the formation and scope of activities of such Study Team with respect to a Project: (i) all Affected Persons with respect to such Project, (ii) all Persons potentially interested in such Study Team, and (iii) the Interested Persons list, including Pacific Northwest

transmission owners and operators and State and Tribal representatives on the Interested Persons list. Pursuant to the communications protocols described above, which are available on ColumbiaGrid's Website, ColumbiaGrid shall notify States, including agencies responsible for facility siting, utility regulation, and general energy policy, and Tribes regarding the activities of the Study Team addressing Needs or solutions. ColumbiaGrid will also provide such notification to Pacific Northwest transmission owners and operators that are potentially impacted by Needs or solutions regarding the activities of Study Teams addressing such Needs or solutions.

4.1.3 Participation in Study Teams

Any Planning Party, Affected Person or Interested Person may participate in a Study Team, with the exception that participation in a Requested Service Project Study Team may be limited due to tariffs or applicable law. TOPP(s) that are potentially materially affected by a Need or a Proposed EOP shall participate in the Study Team relating to such Need or Proposed EOP. With respect to an EOP Study Team, the TOPP(s) primarily affected by the Need or a Proposed EOP shall assume primary responsibility for leading and performing necessary analytical work. With respect to a Requested Service Project Study Team, the TOPP(s) receiving a transmission service or interconnection request shall assume primary responsibility for leading and performing necessary analytical work. With respect to a Capacity Increase Project Study Team for which the Project sponsor has requested that the Study Team assist in the development of some or all of the elements of such Project, the Planning Party proposing the Project shall assume primary responsibility for leading and performing necessary analytical work.

At such time that ColumbiaGrid determines that a TOPP that is not involved may be materially affected by the Project being developed, ColumbiaGrid shall so notify such TOPP, and such TOPP shall participate in the Study Team.

ColumbiaGrid shall participate in each Study Team and, as needed, manage and facilitate the Study Team process. ColumbiaGrid shall post drafts of summaries of the progress of the Study Teams, including developing Plans of Service. ColumbiaGrid, in coordination with the Study Teams, intends to identify the underlying criteria, assumptions, and data and software or analytical tools used in the Project development analysis of a Study Team so that the analysis of such Study Team can be replicated.

5. Development of EOPs After Development of Needs Statements

5.1 Formation of Study Teams

Annually, after the completion of the System Assessment Report, Staff shall hold a public meeting, with general notice to Planning Parties and Interested Persons and specific notice to those TOPPs that ColumbiaGrid anticipates may be affected, for the purpose of reviewing the Need Statements and soliciting participation in a Study Team to develop an EOP for each Need Statement. Staff shall also consider convening Study Teams that address more than one Need Statement. Staff shall monitor the progress of each Study Team and will, as appropriate, bring Study Teams together in order to resolve differences, gain planning efficiencies, or develop solutions that meet more than one Need Statement.

5.2 Elements of an EOP

The Study Team shall collaboratively develop a Proposed EOP. An EOP in a Biennial Plan (or Plan Update) shall include the following: a plan of service describing the modifications to the RIS to be made, list of Persons to make such modifications, estimated costs, schedule, cost allocation, allocation of transmission capacity increased or maintained by an EOP, and appropriate mitigation of Material Adverse Impacts resulting from such EOP; *provided* an EOP shall not impose unmitigated Material Adverse Impacts on the RIS.

5.3 Non-Transmission Alternatives

The ColumbiaGrid transmission planning process anticipates that TOPP-sponsored Non-Transmission Alternatives, if any, will be noted in the Plan and included in the TOPP's planning data. Study Teams evaluate whether a TOPP-sponsored Non-Transmission Alternative either eliminates or defers the Need being studied. Such Non-Transmission Alternatives should reduce transmission loading assumptions in transmission planning studies.

In addition to Non-Transmission Alternatives initiated and sponsored by the Transmission Provider as discussed above, any Study Team participant may propose Non-Transmission Alternatives to a proposed Project either to ColumbiaGrid or directly to the Transmission Provider to the extent it is affected by the Non-Transmission Alternative. In either case, the Transmission Provider affected by the Non-Transmission Alternative will review and evaluate the Non-Transmission Alternative consistent with its integrated resource planning processes or other processes it uses to evaluate Non-Transmission Alternatives, which typically require public involvement and review. If the Transmission Provider determines to implement the Non-Transmission Alternative, the Transmission Provider will become the sponsor of that Non-Transmission Alternative for the purposes of the ColumbiaGrid transmission planning process. This includes notifying ColumbiaGrid of the implementation of the Non-Transmission Alternative and submission of the revised load and resource forecast data reflecting the Non-Transmission Alternative. The Study Teams will use the new load and resource data to determine if the Non-Transmission Alternative eliminates or defers the Need.

5.4 Completion of a Proposed EOP

With respect to a Near-Term EOP, a Proposed EOP is ready for inclusion in a Draft Biennial Plan when all of the following that have actively participated in a related Study Team have consented to each element of such EOP: Persons who would be identified as a Designated Person in section 6.1 of the PEFA or any Person who would bear Material Adverse Impacts from such EOP if not for the mitigation included in the EOP.

In the event that such Affected Persons do not reach agreement on any element(s) of a Near-Term EOP, the Staff shall make a recommendation for any unresolved element(s) of a Near-Term EOP and may, as the Staff finds appropriate, present fully-developed alternatives for the Board's consideration. The Staff shall inform the Study Team regarding its recommendation and allow the Study Team the opportunity to comment. In the event there is still not agreement among the Affected Persons, the Staff shall include its recommendation in the Draft Plan. In such event, ColumbiaGrid shall endeavor to make an equitable allocation of the costs of an EOP

taking into account (i) the causation of the Need giving rise to such EOP or (ii) the delay or elimination during the Planning Horizon of any Need as a result of the EOP. Where there are two affected TOPPs, and one has a Need and the best way to meet that Need is to upgrade facilities on the other TOPP's system, ColumbiaGrid shall allocate costs in a form of a Facilities Agreement to the TOPP causing the Need. ColumbiaGrid may also allocate costs to a TOPP in a Facilities Agreement whose Need does not give rise to the Staff-Recommended EOP but that has a Need during the Planning Horizon that is met by such EOP; *provided that* ColumbiaGrid shall not allocate costs to such TOPP in an amount that exceeds the cost that would have been incurred by such TOPP had it met its Need with a separate EOP. The Staff shall not allocate costs based upon other potential future system benefits. When the Staff submits the Draft Plan to the Board for approval, the Staff shall identify such elements and shall include a summary analysis of minority positions on any aspect of such Staff-Recommended EOP.

6. Requested Service Projects

6.1 Receipt of Transmission Service or Interconnection Request

Each TOPP shall receive new transmission and interconnection requests in accordance with such TOPP's procedures; *provided that* if ColumbiaGrid offers a functional agreement to provide processing services for transmission or interconnection requests in addition to those provided in this Agreement, eligible TOPPs may sign such agreement. With respect to any request for transmission service or interconnection received by any Planning Party, nothing in this Agreement shall preclude any Planning Party from responding if and as such Planning Party determines is appropriate under its OATT.

6.2 Requested Service Assessment; Formation of Study Teams

When a TOPP has a completed transmission service application, determines that it does not have sufficient capacity to serve such request and reasonably believes that the requested service may impact a transmission system other than that of such TOPP, and the customer has indicated to the TOPP that it wants to pursue further study, such TOPP shall notify ColumbiaGrid that it has a request for a study. ColumbiaGrid shall perform a Requested Service Assessment to determine which transmission systems, including those of non-Planning Parties, are affected.

When a TOPP has received an interconnection request and reasonably believes that such request or a Project to satisfy the request will affect a transmission system other than that of such TOPP, such TOPP shall notify ColumbiaGrid of such request and such determination. ColumbiaGrid shall perform a Requested Service Assessment to determine which transmission systems, including those of non-Planning Parties, are affected.

In each such instance above, ColumbiaGrid shall notify those Persons it determines are potentially Affected Persons and convene a Study Team, which should develop a study agreement in accordance with the TOPP's policies and procedures; *provided that* participation in Study Teams convened for an interconnection request may, consistent with such TOPP's OATT, be limited to the requesting Person and Affected Persons. ColumbiaGrid, in consultation with Planning Parties and Interested Persons, shall cluster requests for purposes of performing studies

when practical. The TOPP with the request shall inform its transmission or interconnection requesting Person regarding the needed study and the estimated costs. If the transmission or interconnection requesting Person is willing to assume the costs of such study and instructs the TOPP to proceed, the Study Team shall develop a solution to provide sufficient capacity to serve the request.

Upon execution of a study agreement, ColumbiaGrid will (subject to any applicable confidentiality requirements under the OATT under which the transmission or interconnection service request was submitted) post the request, information concerning any clustering of the request, the identity of the parties to the study agreement, and the study schedule, and will from time to time update the posting to provide other pertinent information.

6.3 Elements of a Requested Service Project

The Study Team shall collaboratively develop a Proposed Requested Service Project. Each TOPP that receives a transmission service or interconnection request shall retain its obligation under its OATT to perform studies, with participation of the requestor as appropriate in accordance with the TOPP's procedures. A Requested Service Project in a Biennial Plan (or Plan Update) shall include a Plan of Service, estimated costs, transmission capacity allocation, cost and ownership allocation, and schedule.

6.4 Completion of a Proposed Requested Service Project

A Proposed Requested Service Project is ready for inclusion in a Draft Plan when (i) all of the Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team have agreed to each element of such Requested Service Project, and (ii) the Study Team has confirmed that such Project meets the request and has appropriately mitigated Material Adverse Impacts resulting from such Project on any transmission systems, and (iii) the requestor has agreed to pursue the Project. Such Requested Service Project may be memorialized in a project agreement prior to its inclusion in a Draft Plan and, in such instance, is being included in such Draft Plan for information purposes. In the event that such Affected Persons do not reach agreement on a Requested Service Project in whole or in part within a reasonable time, Staff shall make a recommendation for any unresolved element(s) and may, as the Staff finds appropriate, present fully-developed alternatives for the Board's consideration. The Staff shall inform the Study Team regarding its recommendation and allow the Study Team the opportunity to comment. In the event there is still not agreement amongst the Affected Persons, the Staff will develop a recommended Plan of Service. If there is an accompanying Need which can be delayed or eliminated by the Requested Service Project within the Planning Horizon, ColumbiaGrid shall endeavor to make an equitable allocation of costs of such Staff-Recommended Requested Service Project based upon the affected TOPP's OATT requirements and the delay or elimination of the Need. ColumbiaGrid may allocate costs in a Facilities Agreement to a TOPP that has a Need during the Planning Horizon that is met by the Requested Service Project; *provided that* ColumbiaGrid shall not allocate costs in an amount that exceeds the cost that would have been incurred by such TOPP had it met its Need with a separate EOP. The Staff shall not allocate costs based upon other potential future system benefits. A Staff-Recommended Requested Service Project shall not have any unmitigated Material Adverse Impacts resulting from such Project on any transmission systems. The Staff may present more

than one Recommended Requested Service Project for the Board to select from. When the Staff submits the Staff Recommended Project to the Board for approval, the Staff shall identify any unresolved element(s) and shall include a summary analysis of positions advanced by any Affected Persons on such unresolved element(s). If the Staff-Recommended Requested Service Project is approved by the Board and agreed upon by the requestor and all Affected Persons it will be included in the Draft Plan.

7. Single System Projects

7.1 Notification of Single System Projects

Each Planning Party shall advise ColumbiaGrid of any Single System Projects that it is planning on its Transmission System.

If the system assessment performed by Staff under section 4 identifies a Need on a single Transmission System, Staff shall inform the subject TOPP of such Need and, if such TOPP concludes that such Need may be resolved on its Transmission System, the TOPP shall inform ColumbiaGrid of such resolution. In such instances, the Staff will include such Need in the Draft System Assessment Report for information purposes. If any Affected Person requests a Study Team to evaluate Material Adverse Impacts resulting from a potential Single System Project at a meeting to discuss the Draft System Assessment Report and Need Statements, ColumbiaGrid shall convene such a Study Team.

The TOPP shall submit proposed Single System Projects to ColumbiaGrid. ColumbiaGrid shall inform the Planning Parties regarding any such Single System Project. If any Planning Party is concerned that such Single System Project will result in unmitigated Material Adverse Impacts, ColumbiaGrid shall convene a Study Team to evaluate whether there are unmitigated Material Adverse Impacts. If there are not unmitigated Material Adverse Impacts, ColumbiaGrid shall include such Single System Projects in the Plan for information purposes and include such Single System Project in future system assessments. If there are unmitigated Material Adverse Impacts, such Project is not a Single System Project and should be further developed through the ColumbiaGrid planning process as an EOP.

8. Capacity Increase Projects

8.1 Notification of Capacity Increase Projects

Each Planning Party shall advise ColumbiaGrid of any Capacity Increase Projects that it is planning or anticipates participating in on the RIS.

8.2 Formation of Study Team

If the Project's sponsor requests a Study Team for project development, ColumbiaGrid will determine whether there is sufficient interest and, if so, shall convene such Study Team for such purposes. If any Affected Person requests a Study Team to evaluate Material Adverse Impacts resulting from a Capacity Increase Project, ColumbiaGrid shall convene such a Study Team.

8.3 Elements of Capacity Increase Project

A Capacity Increase Project in a Biennial Plan (or Plan Update) shall include the following: plan of service, estimated costs, the expected amount of transmission capacity added for each new or existing path, reasons for the Project, the Persons who are responsible for the costs and construction of the Project, the owners and operators of the added facilities, schedule, including estimated completion date, transmission rights allocation, Material Adverse Impacts, if any, and any mitigation of Material Adverse Impacts; *provided that* any unmitigated Material Adverse Impacts shall be subject to resolution in the WECC regional planning or path rating process. To the extent that any such details are included in a Draft Biennial Plan, Draft Plan Update, or Biennial Plan or a Plan Update, such inclusion shall be for information purposes only, and the Board may only note Material Adverse Impacts in accordance with section 11.4.1.3.

8.4 Request for Cost Allocation for Capacity Increase Project

A Planning Party may request a cost allocation recommendation from ColumbiaGrid on a Capacity Increase Project if the related Study Team is unable to come to voluntary agreement on the cost allocation. This recommendation is non-binding but can be used by the Study Teams to facilitate agreement on cost allocation.

9. Expanded Scope Projects

9.1 Assessing Interest in Expanding the Scope of Project

Prior to including any Project in a Draft Biennial Plan or Draft Plan Update, the Staff shall determine, in an open process, whether there is interest in expanding the scope of such Project; *provided* absent agreement of the TOPP(s) whose Transmission System(s) has a projected Need, consideration of the request to expand the scope of an EOP may not unreasonably delay project development beyond the point where there is sufficient lead time for the original Project to be completed to meet the Need or as otherwise required.

9.2 Formation of Study Team

If there is interest, Staff shall establish a Study Team to evaluate and develop the expansion. Those Planning Parties or Interested Persons who are interested in becoming Project sponsors shall assume primary responsibility for leading and performing necessary analytical work, and shall be responsible for the study costs of evaluating the expansion.

9.3 Completion of a Proposed Expanded Scope Project

The Staff shall assist the Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team in resolving transmission capacity rights issues if such Persons are unable to reach agreement. An Expanded Scope Project shall be included in a Plan (or Draft Biennial Plan or Draft Plan Update) in lieu of the Project without expansion only when (i) the sponsors of the expansion have agreed to fund the incremental cost of such Expanded Scope Projects, (ii) each sponsor of the Project as originally configured would receive equivalent

or better service (including meeting the Need) at no greater cost than it would have paid for the original Project, and (iii) such Project would not have unmitigated Material Adverse Impacts.

10. Process for Adoption of Plans

10.1 Draft Plan

10.1.1 Contents of Draft Plan

The Staff shall prepare a Draft Plan based upon the ColumbiaGrid planning process that contains:

(i) Recommended Projects

a. EOPs

i. Recommended Near-Term EOPs

A. Recommended Near-Term EOPs, including an analysis of how such Projects meet their respective Needs and a verification that each EOP does not result in unmitigated Material Adverse Impacts on any transmission system;

B. Staff-Recommended Near-Term EOPs, including an analysis of how such Projects meet their respective Needs, a verification that each such EOP does not result in unmitigated Material Adverse Impacts on any transmission system, and an analysis supporting any other Staff-recommended elements, such as cost or capacity allocation; *provided that* Staff may only submit recommendations for Near-Term EOPs for which the Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team have been unable to reach agreement in whole or in part; *provided further that* the Staff shall also provide for informational purposes the alternative opinions developed during the study process;

ii. Recommended EOPs that the Affected Parties agree are ready for implementation, including an analysis of how such Projects meet their underlying Needs and a verification that each such Project does not result in Material Adverse Impacts on any transmission system;

iii. A list of alternative plans of service for EOPs that were identified and considered in the ColumbiaGrid planning process for possible inclusion in the Draft Plan; and

iv. A list of Non-Transmission Alternatives that have been sponsored by TOPPs and that resulted in a delay or elimination of a Need.

b. Recommended Requested Service Projects

i. Recommended Requested Service Projects, including an analysis of how such Projects meet the underlying transmission service and interconnection requests and a verification that each such Project does not result in any unmitigated Material Adverse Impacts on any transmission system;

ii. Staff-Recommended Requested Service Projects, including an analysis of how such Projects meet the underlying transmission service or interconnection requests and a verification that each such Project does not result in any unmitigated Material Adverse Impacts on any transmission system, and an analysis supporting any other Staff-recommended elements; and

iii. A list of alternative plans of service that were identified and considered in the ColumbiaGrid planning process for possible inclusion in the Draft Plan;

c. Capacity Increase Projects, including an identification of unmitigated Material Adverse Impacts on any transmission system, if any;

d. Single System Projects;

e. Expanded Scope Projects; including a verification that each such Project does not result in any unmitigated Material Adverse Impacts on any transmission system;

f. System Assessment Report and Need Statements;

g. A list of Study Teams and their participants; and

h. Other information that the Board may find helpful in making its decision.

In preparing the Draft Plan, the Staff shall solicit and consider the comments of Interested Persons, Affected Persons, and Planning Parties. The Staff shall post a preliminary Draft Plan on the Website and obtain stakeholder comment prior to finalizing the Draft Plan and may include a summary of the comments received; *provided that* the Staff shall redact Confidential Information and CEII from the Draft Plan that is made public. The Staff shall include such redacted information in the Draft Plan submitted to the Board. The Staff shall include the documentation as the Staff finds appropriate for purposes of Board review and action; *provided* the documentation should be sufficient for subsequent review in an appropriate forum. The Draft Plan shall clearly identify which Projects (i) must be commenced in the upcoming Planning Cycle in order to have sufficient lead time for implementation or are ready for implementation, (ii) have planning underway but do not require commencement in the upcoming Planning Cycle yet are ready for implementation, or (iii) have planning at a conceptual or preliminary stage.

10.1.2 Timing

The Staff shall submit the Draft Plan for Board adoption at a time interval no greater than every two years.

10.2 Review Process

The Board shall review the Draft Plan in an open, public process. In doing so, the Board shall make available the draft Plan, study reports and electronic data files, subject to appropriate protection of Confidential Information and CEII to all Planning Parties and Interested Persons and provide the public an opportunity to supply information and provide written or oral comments to the Board. The Board may adopt additional procedures to carry out its review process.

10.3 Basis for Plan Adoption

The Board shall base its review and adoption of the Plan on the technical merits of the Draft Plan, the consistency of the Projects listed in the Draft Plan with the Functional Agreement, and considering comments and information provided during the review process.

10.4 Plan Adoption

The Board shall review and take action regarding the Draft Plan as follows:

10.4.1 Recommended Projects

10.4.1.1 EOPs

10.4.1.1.1 Recommended Near-Term EOPs and Recommended EOPs

The Board shall review and may approve the following with respect to each Recommended EOP: the Study Team's determination that (i) it meets its underlying Need Statement(s) and (ii) does not impose unmitigated Material Adverse Impacts. Those elements that are not approved by the Board shall be remanded to the Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team for further consideration and analysis and development.

10.4.1.1.2 Staff-Recommended EOPs

The Board shall review and may approve the following with respect to each Staff-Recommended EOP: the Staff determination that it meets its underlying Need Statement(s), its Plan of Service, sponsorship, schedule, cost allocation, transmission rights allocation, and mitigation of Material Adverse Impacts. Those elements that are not approved by the Board shall be remanded to the Staff which may, in cooperation with the Study Team, revise the recommendation and resubmit it to the Board; *provided that* the Board may modify a recommended cost allocation or transmission capacity allocation to the extent such modification is supported by the record.

10.4.1.2 Requested Service Projects

10.4.1.2.1 Recommended Requested Service Projects

The Board shall review and may approve the Study Team's determination that each Recommended Requested Service Project (i) serves its underlying transmission service or interconnection request and (ii) does not result in any unmitigated Material Adverse Impacts on any transmission system; *provided that* no Recommended Requested Service Project shall be included in any Plan unless the requestor and all Affected Persons agree upon such Requested Service Project. If the Board determines that there are unmitigated Material Adverse Impacts, such Project shall be remanded to the Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team for further analysis.

10.4.1.2.2 Staff-Recommended Requested Service Projects

The Board shall review and may approve the Staff's determination that each Staff-Recommended Requested Service Project serves the underlying transmission service or interconnection request, the Plan of Service, transmission capacity allocation, sponsorship, and mitigation of Material Adverse Impacts resulting from such Project on any transmission system; *provided that* no Staff-Recommended Requested Service Project shall be included in any Plan unless the requestor and all Affected Persons agree upon such Requested Service Project. Those elements that are not approved by the Board shall be remanded to the Staff which may, in cooperation with the Study Team, revise the recommendation and resubmit it to the Board; *provided that* the Board may modify a recommended cost allocation or transmission capacity allocation to the extent such modification is supported by the record.

10.4.1.3 Capacity Increase Projects

The Board shall review the Study Team's evaluation of Material Adverse Impacts resulting from each such Project on any transmission system. The Board shall not disapprove or modify project elements (developed by the Project sponsor(s) or a Study Team) as such information is only included in the Draft Plan for informational purposes. If the Board determines that there are unmitigated Material Adverse Impacts resulting from such a Project on any transmission system, the Board shall note such Material Adverse Impacts in the Plan and defer to the resolution of such Material Adverse Impacts in the WECC regional planning or path rating process.

10.4.1.4 Expanded Scope Projects

The Board shall review and may approve the Study Team's determination that there are no unmitigated Material Adverse Impacts resulting from each such Expanded Scope Project on any transmission system and, for Expanded Scope Projects that have an underlying EOP or Requested Service Project, the underlying Need or request is still met with an equivalent or better service at no greater cost than it would have paid for the underlying Project. The Board shall not disapprove or modify project elements associated with the project expansion (developed by the Project sponsor(s) or a Study Team) as such information is only included in

the Draft Plan for informational purposes. If the Board determines that there are unmitigated Material Adverse Impacts resulting from such a Project on any transmission system or that the underlying Need or request is not met with an equivalent or better service at no greater cost than it would have paid for the underlying Project, the Board shall remand such Project to the Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team for further analysis.

10.4.2 Other Information Included in the Draft Plan

The Board shall include in the Biennial Plan for informational purposes all of the other content in the Draft Biennial Plan that was provided for informational purposes unless the Board determines it has good cause not to include such content.

10.4.3 Remands

In the event that the Board remands an item to the Staff and the Study Teams for further analysis and discussion, the Board shall identify specific questions or concerns to be answered or further researched by the Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team before the Board approves or confirms the matter that has been remanded. If the Board determines that a transmission alternative submitted in the public review process or that a transmission alternative to a Staff-Recommended Project is potentially preferable to the proposed Staff-Recommended Project, the Board may remand such alternative to the Staff, Planning Parties, and Interested Persons for further analysis and discussion. The Board and Staff shall attempt to minimize the total number of times a Project is remanded.

10.4.4 Reconsideration Process

The Board shall develop and make available a reconsideration process that provides Persons who are materially impacted by such decision and did participate in any underlying Study Team to request within ten days that the Board reconsider a specific decision within the Board's approval. If reconsideration of a Board decision is sought by any such Person, ColumbiaGrid shall promptly 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. If agreement is not reached, the Board shall pursue the reconsideration process. The reconsideration process will provide for input from all involved Persons (including Planning Parties) and Staff, and the Board will make its reconsidered decision known within 90 days from the date of the request. If, upon reconsideration, the Board modifies its decision, the modification shall also be subject to a petition for reconsideration.

10.4.5 Post-Board Approval Project Modifications

In the event that Project sponsor(s) discover during siting and environmental review processes that modifications are needed to an EOP in order for such EOP to receive needed regulatory approval or in order to implement such EOP, the Staff shall review the proposed modification(s) in a public process to determine whether the proposed modified Project

continues to satisfy the Need and whether Material Adverse Impacts to transmission systems, if any, are mitigated. The Staff shall communicate the results of its findings to the Board as follows.

10.4.5.1 Summary Change Statement

Staff will provide a summary change statement to the Board when such changes are found by Staff to resolve the problem, mitigate Material Adverse Impacts, if any, and have the support of Affected Persons. In these situations the Board will not be required to take action for the revised plan to be included in the next Plan.

10.4.5.2 Staff Recommendation

Staff, when it finds any of the following,

- (i) the Plan of Service being implemented does not resolve the Need,
- (ii) there is disagreement between or among the sponsors and participants as to the Plan of Service, sponsorship, schedule, cost allocation, or transmission rights allocation, or
- (iii) mitigation of Material Adverse Impacts is lacking,

will provide a recommendation to the Board on what actions if any the Board should take. For example, the Staff recommendation could be one or a combination of the following: (i) withdraw Board approval or acceptance of the Project, (ii) address the situation in a subsequent system assessment, (iii) start a Study Team to look at alternatives, or (iv) bring the Affected Persons together to see if there is interest in having ColumbiaGrid mediate differences.

10.4.5.3 Board Consideration

In these situations, the Board shall consider the Staff recommendation and shall accept the recommendation or ask the Staff to reconsider its recommendation in light of additional factors that the Board may want included in the recommendation. No Project modification pursuant to this section 11.4.5 shall be deemed to amend any Facilities Agreement, and any amendment to any Facilities Agreement shall be subject to and pursuant to the provisions of such Facilities Agreement for its amendment (and subject to the provisions of section 6.2 of the PEFA).

11. Cost Allocation

The ColumbiaGrid PEFA allows parties to reach mutual agreement on cost allocation on a case-by-case basis. In the event parties cannot reach mutual agreement, ColumbiaGrid staff will recommend cost allocations as follows:

11.1 EOPs

11.1.1 For EOPs, ColumbiaGrid will recommend equitable allocation taking into account (i) the causation of the Need giving rise to the EOP or (ii) the delay or elimination during the planning horizon of any Need as a result of the EOP.

11.1.2 Where there are two affected TOPPs, and one has a Need and the best way to meet that Need is to upgrade facilities on the other TOPP's system, ColumbiaGrid will allocate costs in an offered form of Facilities Agreement to the TOPP causing the Need.

11.1.3 ColumbiaGrid may also allocate costs in an offered form of Facilities Agreement to a TOPP whose Need does not give rise to the EOP but that has a Need during the planning horizon that is met by the EOP; provided that ColumbiaGrid shall not allocate costs to such TOPP in an amount that exceeds the cost that would have been incurred by such TOPP had it met its Need with a separate Project.

11.2 Requested Service Projects

If there is an accompanying Need which can be delayed or eliminated by the Requested Service Project within the planning horizon, ColumbiaGrid shall make an equitable allocation of costs of such Requested Service Project in an offered form of Facilities Agreement based upon the affected TOPP's OATT requirements and the delay or elimination of the Need; provided the allocation of costs to the TOPP whose Need was delayed or eliminated may not exceed the cost that would have been incurred by such TOPP had it met its Need with a separate Project. The Staff shall not allocate costs based upon other potential future system benefits.

11.3 Capacity Increase Project

A Planning Party may request ColumbiaGrid to recommend a cost allocation for Capacity Increase Projects. Further, the scope of any Project may be expanded if there is sufficient interest. 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.

11.3.1 Such allocations will not recommend methods of cost recovery by entities to whom costs are allocated. Recommended allocation of the costs of a Capacity Increase Projects will be to Persons sponsoring the Capacity Increase Project and to transmission systems benefiting from such Capacity Increase Project. If the Capacity Increase Project would benefit a TOPP by reducing or delaying a Need of such TOPP, the recommended cost allocation to such TOPP may not exceed the TOPP's costs that would be avoided by the Project. The owner of any transmission system that might otherwise benefit from the Project may forego such benefit and thereby avoid a recommended allocation of costs based on such benefit.

11.3.2 Any such recommended cost allocation is intended to be non-binding on the Persons Affected by such allocation. As provided in section 8, a Capacity Increase Project will not be added to the Plan unless all Affected Parties agree on the elements of the Project.

11.4 Further Cost Allocation Considerations

In making its cost allocation recommendations, ColumbiaGrid will, subject to the PEFA, 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. With respect to EOPs, if a Planning Party enters into a Facilities Agreement, it will be filed with the Commission if one of the parties is a public utility under the Federal Power Act. This will enable the Commission to review certain EOP cost allocation determinations.

12. Dispute Resolution

See Part VI below.

13. Regional or Sub-Regional Economic Studies

Regional or sub-regional Economic Studies may be performed through WECC or ColumbiaGrid and would entail evaluation of congestion or the integration on an aggregated, regional (or sub-regional) basis of new generation resources or loads, through (i) production cost modeling or (ii) other studies that are not production cost model studies but that identify and develop cost estimates for Projects to address the congestion (“Project Development Studies”). Upon receipt of requests for Economic Studies, the Transmission Provider will work with ColumbiaGrid or WECC to determine priority of the request and the type of analysis that would be appropriate to evaluate the request.

Production cost modeling studies will initially be done only at WECC within WECC’s synchronized study program (and not by ColumbiaGrid). WECC is the repository for economic data and staff expertise needed to perform production cost modeling. Through a public meeting, WECC intends to develop a synchronized or coordinated study plan, including study leads, clustering of studies, and relative priority of studies. Sub-regional Economic Studies may also be performed through ColumbiaGrid. ColumbiaGrid will notify WECC of any such Economic Studies being performed through the ColumbiaGrid planning process.

14. Sub-Regional Coordination

14.1 ColumbiaGrid Participation in Other Sub-Regional Transmission Planning Processes

ColumbiaGrid will coordinate actively and directly with other sub-regional planning groups and adjacent transmission providers that are not party to the PEFA. It is anticipated that the Transmission Provider, either in conjunction with ColumbiaGrid or separately, will endeavor to meet no less frequently than annually with such Persons.

ColumbiaGrid may also participate in the non-PEFA, sub-regional transmission planning processes of neighboring transmission providers. In particular, when entities that are not parties to the PEFA sponsor projects that potentially affect PEFA members through a non-PEFA transmission planning process, ColumbiaGrid will participate in that planning process.

14.3 Sub-Regional Study Teams

Study teams may be used to address the development of projects that impact ColumbiaGrid PEFA Parties and neighboring non-PEFA transmission providers. With respect to Projects sponsored by PEFA Parties that may impact neighboring transmission providers, Study Teams will be created pursuant to the ColumbiaGrid planning process, as set forth in section 5. For projects sponsored by non-PEFA parties that may impact PEFA Parties, the study teams may be established under the transmission planning process of the sponsor. For projects that include joint sponsorship of facilities by PEFA and non-PEFA parties, study teams jointly sponsored by Columbia Grid and the neighboring transmission provider's sub-regional planning processes ("Joint Sub-Regional Study Team") may be established.

The goal of a Joint Sub-Regional Study Team is to implement projects cooperatively to achieve a "single utility" approach that is in the best interests of the region. Joint Sub-Regional Study Teams will accordingly solicit participation from stakeholders and transmission owners and keep them informed of the activities of the Study Team. The Joint Sub-Regional Study Team may consider and develop through voluntary agreement all aspects of a jointly-sponsored project, including project specifications, cost allocation, and construction responsibilities. In the event that a Joint Sub-Regional Study Team cannot reach timely agreement, PEFA parties will continue to plan for the project, or Need addressed by the project, under the ColumbiaGrid planning process.

Irrespective of the forum of the sub-regional transmission planning process, the relationship of the PEFA planning parties will be governed by the PEFA. Participation by a non-PEFA party in the ColumbiaGrid planning process does not thereby make such party a party to PEFA.

PART V.

COORDINATION WITH THE REGIONAL PLANNING PROCESS (WECC)

WECC coordinates aspects of regional planning as follows:

- a. WECC develops the Western Interconnection wide data bases for transmission planning analysis such as power flow and stability studies.
- b. WECC also maintains a data base for reporting the status of significant planned projects throughout the Western Interconnection.
- c. WECC promotes coordination of significant planned projects through its WECC Regional Planning Project Review procedures. These procedures are implemented by the project sponsor within its planning process or by a sub-regional planning group at the request of a project sponsor.
- d. The WECC Procedure for Project Rating Review provides a process for coordination of path ratings, including consideration of adverse impacts on existing paths.

Western Interconnection wide economic studies are conducted by a committee formed by WECC, TEPPC, in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. The TEPPC planning process is posted on the WECC website (see www.wecc.biz). ColumbiaGrid has a position on TEPPC and is active in the TEPPC study process. The Transmission Provider participates in the TEPPC planning processes, as appropriate, to ensure data and assumptions are coordinated. TEPPC provides the following functions in relation to Economic Studies in the Transmission Provider transmission planning process:

- a. Development and maintenance of the west-wide economic study database.
- b. Performance of economic congestion studies. TEPPC has an annual study cycle in which it will update databases, develop and approve a study plan that includes customer high priority economic study requests as determined by the open TEPPC stakeholder process and perform the studies and document the results in a report.

For more detail on TEPPC, see www.wecc.biz.

Part VI.

DISPUTE RESOLUTION

Disputes among PEFA Parties within the scope of the arbitration provisions of section 16.1 of the PEFA shall be addressed through the provisions of that section. However, nothing in this Attachment K restricts the rights of any person to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

Disputes that are not within the scope of PEFA dispute resolution procedures but that arise out of Attachment K between a Transmission Provider and one or more of its Transmission Customers shall be addressed pursuant to section 12 (Dispute Resolution Procedures) of the Tariff.

ColumbiaGrid is intended to provide a forum for resolving substantive and procedural disputes. Specifically, ColumbiaGrid is a separate and operationally independent entity that makes decisions or recommendations regarding multi-system planning issues, and thus provides a neutral forum through which transmission customers, transmission providers, Planning Parties, and other stakeholders can raise and address issues arising out of ColumbiaGrid planning activities. 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.

Disputes that are not within the scope of the foregoing dispute resolution processes but that arise out of Attachment K in connection with the ColumbiaGrid planning 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.

APPENDIX A

DEFINITIONS

The following terms shall have the following definitions when used in this Attachment K. Other terms defined in Section 1 of the Tariff shall have the meanings set forth in such section where used in this Attachment K.

A.1 “Affected Persons” with respect to a Project means those Planning Parties and Persons that would bear Material Adverse Impacts from such Project or are otherwise materially affected by such Project.

A.2 “Biennial Plan” means each biennial transmission plan adopted by the Board pursuant to section 2 of the PEFA. A “Draft Biennial Plan” refers to a draft of a Biennial Plan presented by Staff to the Board for adoption pursuant to section 2 of the PEFA but not yet adopted by the Board.

A.3 “Board of Directors” or “Board” means the Board of Directors of ColumbiaGrid.

A.4 “Bylaws” means the then current bylaws of ColumbiaGrid.

A.5 “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.

A “Proposed Capacity Increase Project” means a proposal for a Capacity Increase Project at such time as it is being discussed in the planning process, whether that be for purposes of identifying unmitigated Material Adverse Impacts of such Project or for purposes of developing the Project under section 9 of the PEFA.

A.6 “Commission” means the Federal Energy Regulatory Commission or any successor entity.

A.7 “Confidential Information” shall mean: all information, regardless of the manner in which it is furnished, marked as “Confidential Information” at the time of its furnishing; *provided that* Confidential Information shall not include information: (1) in the public domain or generally available or known to the public; (2) disclosed to a recipient by a Third Person who had a legal right to do so; (3) independently developed by the receiving Party or known to such Party prior to its disclosure under this Agreement; (4) information that is normally disclosed by entities in the Western Interconnection without limitation; (5) disclosed in aggregate form; or (6)

required to be disclosed without a protective order or confidentiality agreement by subpoena, law or other directive of a court, administrative agency or arbitration panel.

A.8 “Critical Energy Infrastructure Information” or “CEII” means information as defined in 18 C.F.R. § 388.113(c), as may be amended from time to time, about existing and proposed systems or assets, whether physical or virtual, relating to the production, generation, transportation, transmission, or distribution of energy that could be useful to a person in planning an attack on such systems or assets, the incapacity or destruction of which would negatively affect security, economic security, or public health or safety.

A.9 “Designated Person” with respect to a form of Facilities Agreement means each of the Persons designated as such pursuant to section 6.1 of the PEFA by ColumbiaGrid in such form.

A.10 “Economic Study” means a study of Transmission Provider’s Transmission System, separately or in conjunction with study of other transmission systems, to evaluate (i) congestion or (ii) the integration on an aggregated, regional (or sub-regional) basis of new generation resources or loads.

A.11 “Existing Obligation Project” or “EOP” means 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.

A “Proposed Existing Obligation Project” or “Proposed EOP” means a proposal for an EOP at such time as it is being proposed in the planning process; a “Recommended Existing Obligation Project” or “Recommended EOP” means a recommendation, developed by the agreement of Affected Persons pursuant to section 6 of the PEFA, for an EOP that is included as such in a Draft Biennial Plan or Draft Plan Update; a “Staff-Recommended Existing Obligation Project” or “Staff-Recommended EOP” means a recommendation, made by Staff pursuant to section 6.4 of the PEFA, for a Near-Term Existing Obligation Project that is included as such in a Draft Biennial Plan or Draft Plan Update.

A.12 “Expanded Scope Project” means any Project that is expanded pursuant to section 10 of the PEFA.

A.13 “Facilities Agreement” means, for purposes of Part IV of this Attachment K, an agreement tendered by ColumbiaGrid to Designated Parties for purposes of effectuating an EOP pursuant to section 6 of the PEFA.

A.14 “Interested Person” means, for purposes of Part IV of this Attachment K, any Person who has expressed an interest in the business of ColumbiaGrid and has requested notice of its public meetings. Such Interested Persons will be identified on the Interested Persons list compiled by ColumbiaGrid in accordance with section 4.2 of the ColumbiaGrid Bylaws.

A.15 “Material Adverse Impacts,” for purposes of Part IV of this Attachment K, with respect to a Project means a reduction of transmission capacity on a transmission system (or other adverse impact on such transmission system that is generally considered in transmission planning in the Western Interconnection) due to such Project that is material, that would result from a Project, and that is unacceptable to the Person that owns or operates such transmission system. For purposes of this Agreement, Material Adverse Impacts of a Project are considered mitigated if there would not be any Material Adverse Impacts due to such Project.

A.16 “Near-Term Existing Obligation Project” or “Near-Term EOP” means, at any time, an Existing Obligation Project that must be commenced prior to the end of the then next Planning Cycle in order to have sufficient lead time for implementation to meet the Need giving rise to such Existing Obligation Project.

A.17 “Need” means, for purposes of Part IV of this Attachment K, any projected inability of a Transmission Owner or Operator Planning Party (anticipated to occur during the Planning Horizon) to serve, consistent with the Planning Criteria,

(i) its network load and native load customer obligations, if any, as those terms are defined in such Transmission Owner or Operator Planning Party’s Open Access Transmission Tariff; and

(ii) other existing long-term firm transmission obligations.

A.18 “Need Statement” means, with respect to a Need, a statement developed by Staff pursuant to section 4 of the PEFA and included for informational purposes in a Plan. A “Draft Need Statement” means a proposal for a Need Statement presented by Staff to the Board for review and comment.

A.19 “NERC” means North America Electric Reliability Corporation or its successor.

A.20 “Non-Transmission Alternative” means, for purposes of Part IV of this Attachment K, a Non-Transmission Alternative that ColumbiaGrid has determined (i) results in the elimination or delay of a Need, (ii) results in a change in the loads or resources to be reflected in the system assessments, and (iii) is sponsored by one or more TOPPs. Examples of such alternatives that may constitute Non-Transmission Alternatives may include demand-side load reduction programs, peak-shaving projects, and distributed generation. The following examples are specifically excluded from Non-Transmission Alternatives: remedial action schemes, shunt capacitors, and reconductoring.

A.21 “Open Access Transmission Tariff” or “OATT” means, , for purposes of Part IV of this Attachment K, for each Transmission Owner or Operator Planning Party, such Transmission Owner or Operator Planning Party’s open access transmission tariff and, if such Transmission Owner or Operator Planning Party does not have such a tariff, the Commission’s pro forma open access transmission tariff.

A.22 “Pacific Northwest” means the (i) sub region within the Western Interconnection comprised of Alberta, British Columbia, Idaho, Montana, Nevada, Oregon, Utah, Washington,

and Wyoming and (ii) any portions of the area defined in 16 U.S.C. § 839a(14) that are not otherwise included in (i).

A.23 “Party” means, for purposes of Part IV of this Attachment K, a signatory to the ColumbiaGrid Planning and Expansion Functional Agreement.

A.24 “Person” means, for purposes of Part IV of this Attachment K, an individual, corporation, cooperative corporation, municipal corporation, quasi-municipal corporation, joint operating entity, limited liability company, mutual association, partnership, limited partnership, limited liability partnership, association, joint stock company, trust, unincorporated organization, government entity or political subdivision thereof (including a federal power marketing administration), or organization recognized as a legal entity by law in the United States or Canada.

A.25 “Plan” means, for purposes of Part IV of this Attachment K, at any time the then current Biennial Plan, as then revised by any Plan Updates. A “Draft Plan” refers to a Draft Biennial Plan or a Draft Plan Update.

A.26 “Plan of Service” means the technical modifications to the Regional Interconnected Systems to be effected by a Project.

A.27 “Plan Update” means an update to the then current Plan adopted by the Board pursuant to section 2.4 of the PEFA. A “Draft Plan Update” means a plan update presented by Staff to the Board for adoption but not yet adopted by the Board.

A.28 “Planning Criteria” means the then current planning standards that ColumbiaGrid shall apply, as provided in section 3 of the PEFA, in any system assessment, System Assessment Report, or Needs Statement.

A.29 “Planning Cycle” means a period of approximately 24 months during which a Draft Biennial Plan is to be prepared and presented to the Board for adoption and during which a Biennial Plan is to be subsequently adopted by the Board.

A.30 “Planning and Expansion Functional Agreement” or “PEFA” means the ColumbiaGrid Planning and Expansion Functional Agreement on file with the Commission.

A.31 “Planning Horizon,” for purposes of Part IV of this Attachment K, means, with respect to any Biennial Plan (or Plan Update), the period for which the system assessment for such Biennial Plan (or Plan Update) is made, which period shall be the longer of (i) ten years or (ii) the planning period required by the Commission in its pro forma OATT, as it may be amended from time to time.

A.32 “Planning Party” means, for purposes of Part IV of this Attachment K, each Party other than ColumbiaGrid.

A.33 “Project” means, for purposes of Part IV of this Attachment K, any of the following (including any expansion in the Plan of Service therefor pursuant to section 10 of the

PEFA) included in a Plan: (i) Capacity Increase Project, (ii) Existing Obligation Project, (iii) Requested Service Project, or (iv) Single System Project.

A.34 “Regional Interconnected Systems” or “RIS” means the interconnected transmission systems in the Pacific Northwest.

A.35 “Requested Service Assessment” means, with respect to a request to a TOPP for study related to a transmission service or interconnection, an assessment of the effect of such request on such TOPP’s Transmission System and on other transmission systems.

A.36 “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.

A “Proposed Requested Service Project” means a proposal for a Requested Service Project at such time as it is being proposed in the planning process under this Agreement; a “Recommended Requested Service Project” means a recommendation for a Requested Service Project that is developed by the agreement of Affected Persons and that is included in a Plan; a “Staff-Recommended Requested Service Project” means a recommendation by the Staff for a Requested Service Project following the inability of Affected Persons to reach agreement in a timely manner on a Recommended Requested Service Project.

A.37 “Single System Project” means any modification of a single Transmission System that

- (i) is for the purpose of meeting a Need that impacts only such single Transmission System;
- (ii) does not result in Material Adverse Impacts on any transmission system; and
- (iii) is included as a Single System Project in a Plan.

A.38 “Staff” means, for purposes of Part IV of this Attachment K, the ColumbiaGrid staff, officers, or consultants hired or retained by ColumbiaGrid to perform the Staff’s responsibilities under the PEFA. The activities of Staff under this Agreement will be performed under the supervision and guidance of the ColumbiaGrid Board.

A.39 “Study Team” with respect to a Project being defined means a team that is comprised of ColumbiaGrid and the following that choose to participate in such team: (i) any Planning Parties, (ii) any Affected Persons identified with respect to such Project, and (iii) any Interested Persons; *provided that* the Study Team for a Requested Service Project shall include only ColumbiaGrid and Affected Persons identified with respect to such Project. The Study Team for an Existing Obligation Project will develop solution(s) to meet the Need giving rise to

such Existing Obligation Project. The Study Team for a Requested Service Project will develop a Project to serve the request giving rise to such Requested Service Project. The Study Team for any other Project will assist in either the identification or mitigation of Material Adverse Impacts, if any, resulting from such Project or, depending upon the type of Project and the election of the Project sponsor(s), participate in the planning of such Project.

A.40 “System Assessment Report” means each system assessment report developed by Staff pursuant to section 4 of the PEFA.

A.41 “Third Person” means, for purposes of Part IV of this Attachment K, any Person other than a Party.

A.42 “Transmission Owner or Operator Planning Party” or “TOPP” means a Party that is a transmission owner or operator.

A.43 “Transmission System” means, for purposes of Part IV of this Attachment K, the transmission facilities in the Pacific Northwest owned or operated by a Transmission Owner or Operator Planning Party.

A.44 “Website” means, for purposes of Part IV of this Attachment K, the website maintained by ColumbiaGrid at www.columbiagrid.org.

A.45 “Western Electricity Coordinating Council” or “WECC” means the Western Electricity Coordinating Council or any successor entity.