

GQ NEW ENERGY STRATEGIES

FERC Order No. 1920 and the West

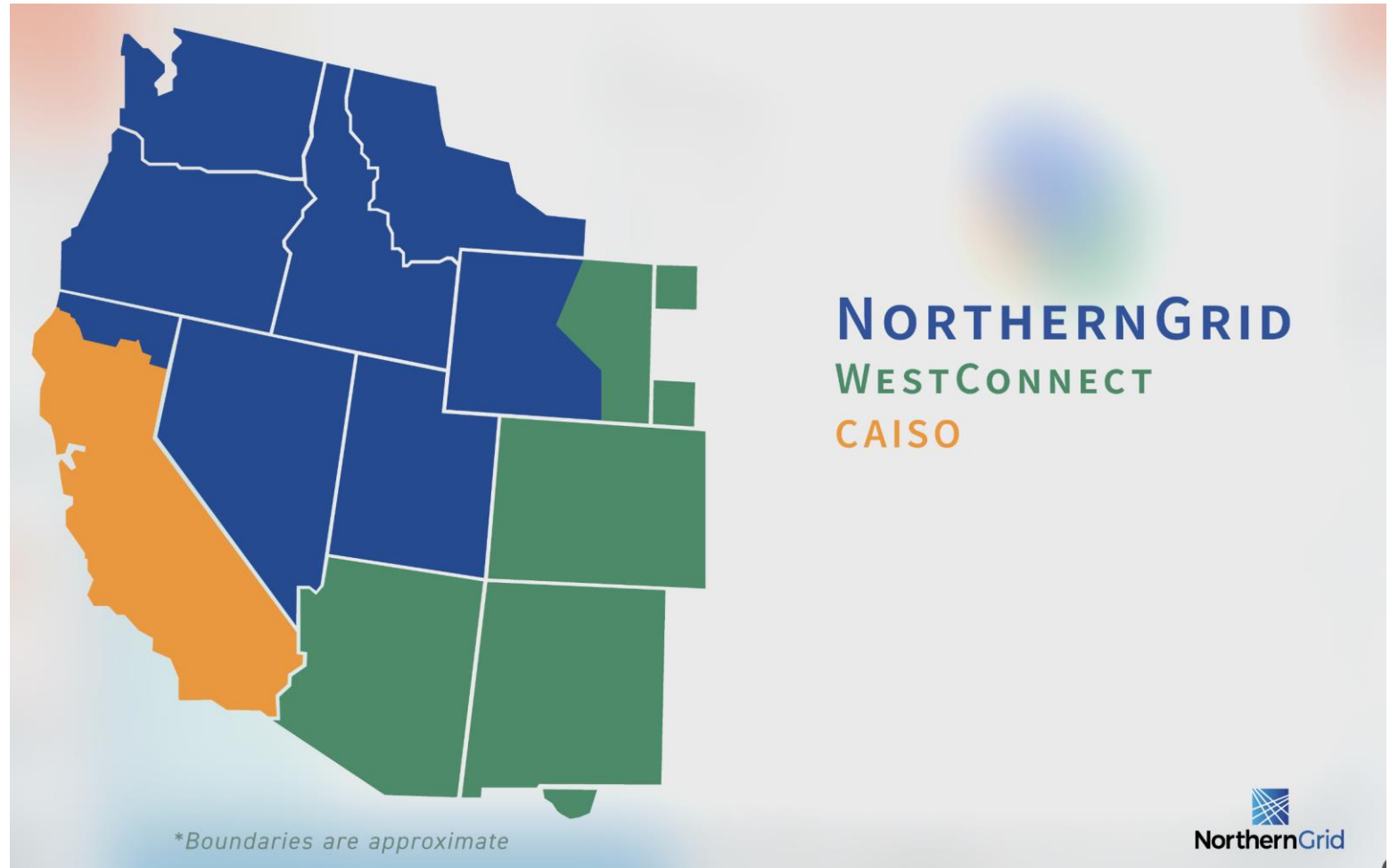
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Western Transmission Development

- Individual Utility
- Joint Utility Projects
- Merchant Transmission
- Regionally Planned Transmission
 - Governed by FERC Order No.1000/ Order No. 1920
 - Subject to regional cost allocation approach
 - Competitive bidding unless state ROFR
- Interregional Transmission

Regional Transmission Planning in the West



*Boundaries are approximate



FERC Order No. 1920

- Requires Long-Term Regional Transmission Planning
 - 20-year plan
 - Three scenarios updated every five years
 - Must consider GETs
 - Selecting projects for development optional
- Ex Ante Cost Allocation Methodology for Selected Projects
- Applies to Jurisdictional Transmission Providers and Other Utilities That Voluntarily Participate in Regional Planning

Order No. 1920 Timelines

- Effective Date = August 12, 2024
- Rehearing Order TBD
- Compliance Filings Due on June 12, 2025
 - Six month state engagement process
 - Stakeholder engagement prior to compliance
- Appeals due September 12, 2024
 - Several appeals already submitted
 - Requirements typically remain pending outcome of appellate process

Cost Allocation

- Transmission Providers Must Submit *Ex Ante* Allocation Formula
- Opportunity for States to Develop Formula
 - Engagement process
 - Submission to FERC by utilities is voluntary
 - No similar opportunity for self-regulated utilities
- States/Others Can Agree to Pay for Projects/Portfolios Within Six Months of Project Identification
- FERC Can't Require Non-Jurisdictional Utilities to Pay

WestTEC

- Frustration with Current Regional Transmission Planning
- Interconnection-Wide Transmission Plan
 - 10-year
 - 20-year
- Broad stakeholder involvement
- Identify Transmission Projects but no Requirement to Build
- No Cost Allocation

What's Next?

- Utility Compliance Filings
- Does WestTEC Become the Regional Planning Entity?
 - Merge WestConnect and Northern Grid?
 - California ISO Remains Stand-Alone?
- If Regions Remain How Will WestTEC Impact Transmission Development?
- State Engagement and Stakeholder Order No. 1920 Processes
- Can There be Agreement on Cost Allocation?