

ATTACHMENT [K- ]

**Interregional Transmission Coordination Between the SERTP and MISO**

The Transmission Provider, through its regional transmission planning process, coordinates with the public utility transmission providers in the Midcontinent Independent System Operator region (“MISO”) to address transmission planning coordination issues related to interregional transmission facilities. The interregional transmission coordination procedures include a detailed description of the process for coordination between public utility transmission providers in the SERTP and MISO (i) with respect to an interregional transmission facility that is proposed to be located in both transmission planning regions and (ii) to identify possible interregional transmission facilities that could address transmission needs more efficiently or cost-effectively than transmission facilities included in the respective regional transmission plans. The interregional transmission coordination procedures are hereby provided in this Attachment [K-\_\_\_] with additional materials provided on the Regional Planning website.

The Transmission Provider ensures that the following requirements are included in the interregional transmission coordination procedures:

- (1) A commitment to coordinate and share the results of the SERTP’s and MISO’s regional transmission plans to identify possible interregional transmission projects that could address transmission needs more efficiently or cost-effectively than separate regional transmission facilities, as well as a procedure for doing so;
- (2) A formal procedure to identify and jointly evaluate transmission facilities that are proposed to be located in both transmission planning regions;
- (3) A duty to exchange, at least annually, planning data and information; and

- (4) A commitment to maintain a website or e-mail list for the communication of information related to the coordinated planning process.

The Transmission Provider has worked with MISO to develop a mutually agreeable method for allocating between the two transmission planning regions the costs of new interregional transmission facilities that are located within both transmission planning regions. Such cost allocation method satisfies the six interregional cost allocation principles set forth in Order No. 1000 and are included in this Attachment [K-\_\_\_].

For purposes of this Attachment [K-\_\_\_], the SERTP's regional transmission planning process is the process described in Attachment [K] of this Tariff; MISO's regional transmission planning process is the process described in MISO's Attachment FF. References to the respective regional transmission planning processes in this Attachment [K-\_\_\_] are intended to identify the activities described in those tariff provisions. Unless noted otherwise, Section references in this Attachment [K-\_\_\_] refer to Sections within this Attachment [K-\_\_\_].

## **1. Interregional Transmission Coordination**

1.1. **Annual Meeting:** Representatives of the SERTP and [insert applicable MISO reference] will meet no less than once per year to facilitate the interregional coordination procedures described below (as applicable). Representatives of the SERTP [insert applicable MISO reference] may meet more frequently during the evaluation of interregional transmission project(s) proposed for purposes of interregional cost allocation between the SERTP and [insert applicable MISO reference] regions.

1.2. **Website Posting of Information on Interregional Coordination:** The Transmission Provider shall utilize the Regional Planning website for communication of information related to these coordinated interregional transmission planning procedures. The

Transmission Provider shall coordinate with [insert applicable MISO reference] with respect to the posting of materials to the Regional Planning website related to the interregional coordination procedures between the SERTP and [insert applicable MISO reference]. The Transmission Provider shall provide at a minimum on the Regional Planning website the following items related to interregional coordination:

- i. Interregional Coordination and Cost Allocation Procedures between the SERTP and [insert applicable MISO reference]
- ii. Links to where stakeholders can register (if applicable/available) for the stakeholder committees or distribution lists of [insert applicable MISO reference].
- iii. Documents related to joint evaluation of interregional transmission projects
- iv. Status report on interregional transmission projects selected for purposes of interregional cost allocation between the [insert applicable MISO and SERTP references].

## **2. Model and Data Exchange**

At least annually, the Transmission Provider and [insert applicable MISO reference] shall exchange their then-current regional transmission plans including power-flow models and associated data used in the regional transmission planning processes to develop such transmission plan(s). This exchange will occur when such data is available in each of the regional transmission planning processes, typically during the first calendar quarter of each year. Additional transmission-based models and data may be exchanged between the SERTP and [insert applicable MISO reference] as necessary and if requested. For purposes of the interregional coordination activities between the SERTP and [insert applicable MISO

reference] only data and models used in the development of the SERTP and [insert applicable MISO reference] then-current regional transmission plans and used in their respective regional transmission planning processes will be exchanged. This data will be posted on the pertinent regional transmission planning process' websites, consistent with the posting requirements of the respective regional transmission planning processes, and subject to applicable confidentiality and Critical Energy Infrastructure Information (CEII) treatment. The Transmission Provider shall notify [insert applicable MISO reference] of such posting.

**3. Identification and Joint Evaluation of Proposed Interregional Transmission Projects**

**3.1 Identification of Interregional Transmission Projects:** Biennially the Transmission Provider and [insert applicable MISO reference] shall meet to review the respective regional transmission plans. Such plans include each region's transmission needs as prescribed by each region's planning process. To the extent regional transmission needs are not addressed by an identified transmission project, those needs will also be reviewed. For the Transmission Provider, the regional planning process already identifies transmission projects to address system needs. This review shall occur on a mutually agreeable timetable, taking into account each region's regional transmission planning process timeline. If through this review, the Transmission Provider and [insert applicable MISO reference] identify a potential interregional transmission project that may be more efficient or cost-effective than regional projects, the Transmission Providers and [insert applicable MISO reference] shall jointly evaluate the potential interregional transmission project pursuant to Section 3.3.

**3.2 Identification of Interregional Transmission Projects by Stakeholders:**

Stakeholders may also propose interregional transmission projects that may be more efficient or cost-effective than regional transmission projects pursuant to the procedures in each region's regional transmission planning processes.

**3.3 Evaluation of Interregional Transmission Projects:**

The Transmission Provider and [insert applicable MISO reference] shall act through their respective regional transmission planning processes to evaluate potential interregional transmission projects and to determine whether the inclusion of any potential interregional transmission projects in each region's regional transmission plan would be more efficient or cost-effective than regional projects. Such analysis shall be consistent with accepted transmission planning practices of the respective regions and the methods utilized to produce each region's respective regional transmission plan(s).

**3.4 Review of Proposed Interregional Transmission Projects:**

Initial coordination activities regarding potential interregional transmission projects will typically begin during the third calendar quarter. The Transmission Provider and [insert applicable MISO reference] will exchange status updates for new interregional transmission project proposals or proposals currently under consideration as needed. These status updates will generally include, if applicable: (i) an update of the region's evaluation of the proposal; (ii) the latest calculation of Regional Benefits (as defined in Section 4.2); and (iii) the anticipated timeline for future assessments.

**3.5 Coordination of Assumptions Used in Joint Evaluation:** The Transmission Provider and [insert applicable MISO reference] will coordinate assumptions and data used in joint evaluations, as necessary and consistent with Section 2, which assumptions and data form the inputs to items such as:

- Expected timelines/milestones associated with the joint evaluation;
- Study assumptions;
- Models; and
- Regional Benefit calculations.

**4. Interregional Cost Allocation:** If an interregional transmission project is proposed for interregional cost allocation purposes (“Interregional CAP”) in the SERTP and [insert applicable MISO reference] planning regions, then the following methodology applies:

**4.1 Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes:**

- A. For a transmission project to be considered for Interregional CAP within the SERTP and [insert applicable MISO reference], the following criteria must be met:
  - i. The proposed transmission project must interconnect to the transmission facilities of one or more SERTP Sponsors and the transmission facilities of one or more transmission owners in MISO;
  - ii. Meet the qualification criteria for transmission projects potentially eligible to be included in the regional transmission plans for purposes of cost allocation in both the SERTP and [insert applicable MISO reference] pursuant to their respective regional transmission planning processes.

- B. On a case-by-case basis, the Transmission Provider and [insert applicable MISO reference] may consider a transmission project that does not satisfy all of the criteria specified in this Section 4.1. but: (i) meets the threshold criteria for a project proposed to be included in the regional transmission plan for purposes of cost allocation in only one of the two regions; and (ii) would be interconnected to the transmission facilities of one or more SERTP Sponsors and the transmission facilities of one or more transmission owners in MISO.
- C. The transmission developer and project submittal must satisfy all criteria specified in the respective regional transmission planning processes. In this regard, the proposal should be submitted in the timeframe outlined in the respective regional transmission planning processes.

**4.2 Calculation of Benefits for Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes:**

*(This Section 4.2 is currently under discussion between the SERTP and MISO)*

The allocation of costs between the SERTP and [insert applicable MISO reference] region for an Interregional transmission projects proposed for Interregional CAP in the SERTP and [insert applicable MISO reference] shall be determined as follows:

- A. Each region, acting through its regional transmission planning process, will evaluate proposals to determine whether the proposed project(s) addresses transmission needs that are currently being addressed with projects in its regional transmission plan and, if so, which projects in the regional transmission plan could be displaced by the proposed project(s).

- B. Based upon its evaluation, each region will quantify a Regional Benefit based upon the transmission costs that each region is projected to avoid due to its transmission projects being displaced by the proposal.
  - o For purposes of this Attachment [K-\_\_\_], “Regional Benefit” means:
    - (i) for the Transmission Provider, the total avoided costs of projects included in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project was included and (ii) for MISO, the total avoided costs of market efficiency projects included in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project was included. The Regional Benefit is not necessarily the same as the benefits used for purposes of *regional* cost allocation.

**4.3. Calculation of Benefit to Cost Ratio:** Each region will calculate a regional benefit to cost (“BTC”) ratio consistent with its regional process and compare the BTC ratio to its respective threshold to determine if the interregional project appears to be more efficient and cost effective than those projects included in its current regional transmission plan. For purposes of this BTC ratio evaluation:

- A. Each region shall utilize the benefit calculation(s) as defined in such region’s regional transmission planning process (for purposes of clarity, these benefits are not necessarily the same as the Regional Benefits determined pursuant to Section 4.2).

- B. Each region shall utilize the cost calculation(s) as defined in such region's regional transmission planning process. The anticipated percentage allocation of costs of the interregional project to each region shall be based upon the ratio of the region's Regional Benefit to the sum of the Regional Benefits identified for both the SERTP and MISO. The Regional Benefits shall be determined pursuant to the methodology described in Section 4.2.

**4.4 Inclusion in Regional Transmission Plans:** An interregional transmission project proposed for Interregional CAP in the SERTP [insert applicable MISO reference] will be included in the respective regional plans for purposes of cost allocation after:

- A. Each region has performed all evaluations, as prescribed in its regional transmission planning process, necessary for a project to be included in its regional transmission plan for purposes of cost allocation, including any regional BTC ratio calculations performed pursuant to Section 4.3; and .
- B. Each region has obtained all approvals, as prescribed in its regional process, necessary for a project to be included in the regional transmission plan for purposes of cost allocation.

**4.4 Allocation of Costs Between the SERTP and [insert applicable MISO reference] Regions:** The cost of an interregional transmission project, selected for purposes of cost allocation in the regional transmission plans of both the SERTP and [insert applicable MISO reference], will be allocated as follows:

- A. Each region will be allocated a portion of the interregional transmission project's costs in proportion to such region's Regional Benefit as calculated pursuant to Section 4.3 to the sum of the Regional Benefits identified for both the SERTP and [insert applicable MISO reference].
  - o The Regional Benefits used for this determination shall be based upon the Regional Benefit calculation most recently performed – pursuant to the method described in Section 4.2 – before each region included the project in its regional transmission plan for purposes of cost allocation and as approved by each region.
- B. Costs allocated to each region shall be further allocated within each region pursuant to the cost allocation methodology contained in its regional transmission planning process.

**4.5 Milestones of Required Steps Necessary to Maintain Status as Being Selected for Interregional Cost Allocation Purposes:** Once selected in the respective regional transmission plans for purposes of cost allocation, the SERTP Sponsors and [insert applicable MISO reference] that will be allocated costs of the transmission project (“beneficiaries”) and the transmission developer must mutually agree upon an acceptable development schedule including milestones by which the necessary steps to develop and construct the transmission project must occur. These milestones may include (to the extent not already accomplished) obtaining all necessary ROWs and requisite environmental, state, and other governmental approvals and executing a mutually-agreed upon contract(s) between the transmission developer and the beneficiaries. If such critical steps

are not met by the specified milestones and then afterwards maintained, then the Transmission Provider and [insert applicable MISO reference] may remove the transmission project from the selected category in the regional transmission plans for purposes of cost allocation.

**4.6 Interregional Project Contractual Arrangements:** The contracts referenced in Section 4.5 will address terms and conditions associated with the development of the proposed transmission project included in the regional transmission plans for purposes of cost allocation, including but not limited to:

- a) Engineering, procurement, construction, maintenance, and operation of the proposed transmission project, including coordination responsibilities of the parties;
- b) Emergency restoration and repair;
- c) The specific financial terms/specific total amounts to be charged by the transmission developer of the transmission project to each beneficiary, as agreed to by the parties;
- d) Creditworthiness/project security requirements;
- e) Milestone reporting, including schedule of projected expenditures;
- f) Reevaluation of the transmission project; and
- g) Non-performance or abandonment.

**4.7 Removal from Regional Plans:** An interregional project may be removed from the SERTP's or [insert applicable MISO reference] regional plan for Interregional CAP: (i) if the developer fails to meet developmental milestones; (ii) pursuant to the reevaluation procedures specified in the respective regional transmission

planning processes; or (iii) if the project is removed from one of the region's regional transmission plans pursuant to the requirements of its regional transmission planning process.

A. The Transmission Provider shall notify MISO if an interregional project or a portion thereof is likely to be removed from its regional transmission plan.

## **5 Transparency**

**5.1** Stakeholders will have an opportunity to provide input and feedback within the respective regional planning processes of the SERTP [insert applicable MISO and reference] related to interregional transmission projects identified, analysis performed, and any determination/results. Stakeholders may participate in either or both regions' regional planning processes to provide their input and feedback regarding the interregional coordination between the SERTP and [insert applicable MISO].

**5.2** At the fourth quarter SERTP Summit, or as necessary due to current activity of proposed interregional transmission projects, the SERTP will provide status updates of interregional activities including:

- Facilities to be evaluated
- Analysis performed
- Determinations/results.