

**WestConnect Parties Initial Brainstorming on Order 1000
Working Draft – Intended to Stimulate Discussion**

FERC Order 1000 “Region” proposal	Pros	Cons
<p>Smaller than subregional (new region, by State?)</p>	<p>Contractually easier (likely), fewer parties to garner agreement between,</p> <p>more likely symbioses</p> <p>More nimble, greater flexibility (easier to meet with your neighbors than the whole state for SPG footprint)</p> <p>Easier to select projects</p> <p>May be easier to align with State Commissions</p> <p>More control by individual utilities with smaller region</p>	<p>More regional-interregional costs/benefits and allocation processes that must be contractually approved.</p> <p>Have to define/justify a new region to FERC?</p> <p>Many more neighboring regions, more interregional projects</p> <p>State Commissions may not like participating with multiple regions (PNM, El Paso, Black Hills for example)</p> <p>Could be greater financial and resource burden on individuals utilities due to small number of participants to allocate costs</p> <p>Depends on volunteer</p> <p>If a state footprint, some entities would be “interregional” by the nature of their company footprint.</p> <p>May face a higher bar to justify to FERC a reduction from current SPG areas</p>

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Subregional groups (SWAT, CCPG, SSPG)	<p>SPG members generally work well together</p> <p>Proven stakeholder outreach</p> <p>Easier to involve “policy” personnel at the PUC- type level (closer to home)</p> <p>Possibly get some solid regional planning occurring besides “coordination”</p> <p>More control by individual utilities with smaller region</p>	<p>Not all the correct people (missing policy/legal folks)</p> <p>Mostly technical folks not at management level that can commit companies to expenditures.</p> <p>Depends on volunteer participation Charters would have to change</p>
WestConnect	<p>FERC Recognized</p> <p>Contractual arrangements (however, these will need to be augmented if they are to accommodate the Order)</p> <p>Maybe some solid regional planning in addition to “coordination”. Regional planning will be needed to comply for sure.</p> <p>More management-level staff that can make decisions for the company</p> <p>Has an existing market enhancements (regional pricing, for example)</p>	<p>Cost, cost sharing (members must agree to allocate costs for work on Order 1000)</p> <p>Get all WC members to agree in a timely fashion on region/interregional responsibilities?</p> <p>Fewer transmission planners</p> <p>Meeting space for so many entities</p> <p>Depends on volunteer participation. Will require commitment to regional planning staffing and/or contract resources, and associated requirements.</p> <p>Existing W/C MOU may need modified to operate under Order 1000</p>

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<p>Larger than WestConnect (new region) but smaller than WECC (example – joining NTTG)</p>	<p>Fewer contracts between regions</p> <p>More participants to cover the costs</p> <p>Strength in numbers</p>	<p>Cost, cost sharing</p> <p>Challenging to get so many diverse companies on board</p> <p>Have to define/justify a new region to FERC?</p> <p>Defining a new footprint, agreements, and governance structure from scratch</p> <p>Meeting space for so many entities</p> <p>Fewer transmission planners</p> <p>Difficulty merging subregional plans</p>
<p>WECC (non-RTO)</p>	<p>One region, one contract? Reduces the need for interregional contracts</p> <p>Good outreach with stakeholders</p> <p>Large staff, meeting space, experienced meeting facilitators, technology</p> <p>No or very limited interregional planning?</p> <p>Maybe use WECC for some studies, subregions for others as a way to split tasks?</p>	<p>Cost to membership. RTEP process example.</p> <p>Challenging to get so many diverse companies on board</p> <p>Implies WECC is the RTO?</p>
<p>New region (jurisdictionals)</p>	<p>Similar responsibilities, outlook, position</p> <p>Helps with lack of clarity in Order 1000 for cost allocation and recovery</p>	<p>How to relate to non-jurisdictionals? Would this fall under interregional?</p> <p>Unclear whether this would be acceptable to FERC</p>

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Notes/Questions:

- We could look at transmission planning to identify new areas where transmission is likely. This may help define a region.
Question: what would be the goal of this analysis? Make as much as possible regional? Simplify interregional coordination?
- Any region that depends on volunteer participation and work will place additional demands on costs, personnel, etc.
- Larger the region, the longer the time period to complete planning? Is the expectation that planning is annual, every 2 years?
- Larger the region, the more difficult to reach consensus among members.
- Can you plan at one level (WECC for example) and cost allocate at a different level (WestConnect for example)?
- The existing STP was not developed with FERC Order 1000 in mind. This Order may require a new agreement among members or the existing agreement would need to be reviewed and most likely modified to accommodate the specifics of the Order.
- At the Western Interconnect/Non-RTO meeting FERC held on September 13, 2011 they did clearly indicate that a region they don't recognize (i.e. a new region) will face a higher standard for compliance with the Order.

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Region Tasks that will have to be completed:

Reliability studies

Economic studies

Cost allocation method

Methodology and criteria for project selection for cost allocation

Benefit structure

Develop/roll-up regional plan

Outreach and communications

Identify Public Policy Requirements

Facilitation (meetings, etc.)

Develop governance structure

Work with State Commissions

Document effort to comply