

Semi-annual Transmission Update

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Why We're Here Today

No Action Required

Transmission Policy Update

- FERC transmission developments
- DOE transmission developments



FERC Transmission Developments

“Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection”

Notice of Proposed Rulemaking

- Proposed changes to FERC’s pro forma tariff related to regional transmission planning and regional cost allocation
- Only applies directly to Chelan PUD if we voluntarily adopt
- Chelan PUD is not enrolled in NorthernGrid’s regional planning process and is not subject to regional cost allocation

FERC Transmission Developments

Regional transmission planning reforms

- Use Long-Term Scenarios to identify transmission needs driven by changes in resource mix and demand
 - At least four “plausible and diverse” scenarios, developed every three years
 - No less than 20 years in the future
 - Incorporate FERC-identified categories of factors affecting transmission needs
 - Consider geographic zones with potential for large amounts of new generation

FERC Transmission Developments

Regional transmission planning reforms (continued)

- Consider transmission facilities that address recurring generator interconnection needs
 - Interconnection studies identify transmission needs that are not constructed due to applicant withdrawals
 - Threshold of 200kV or \$30 million for inclusion in transmission planning
- Consider dynamic line ratings and advance power flow control when evaluating regional transmission needs

FERC Transmission Developments

Regional Transmission Cost Allocation

- Includes cost allocation process that is proposed in the OATT beforehand, developed through a “State Entity Agreement Process”, or a combination of the two
- Eliminates ability for projects in progress to be included in regional cost allocation
- Reinstates the “right of first refusal” for incumbent transmission projects for regional projects, if they propose joint ownership (with municipals, among others)
- Require added transparency in local planning processes

FERC Transmission Developments

Transmission Planning NOPR's potential impact

- Will affect NorthernGrid's regional planning process for enrolled members
- Only applies directly to Chelan PUD if we voluntarily adopt
- Chelan PUD involvement in FERC docket through LPPC—
comments due July 18

DOE Transmission Development

“Building a Better Grid” Initiative

- Transmission Facilitation Program: financing tools to spur construction
- May 10th Notice of Inquiry/Request for Information
 - Capacity contracts with eligible projects and DOE as an “anchor customer”
- Future Notice of Inquiry/Request for Information (early 2023)
 - DOE Loans
 - DOE participation in public-private partnerships