This FRCC Regional Transmission Planning Process is based on the FERC approved Order 1000-compliant Open Access Transmission Tariffs (“OATT”) of the Florida transmission providers, and includes Interregional Transmission Coordination Procedures also approved by FERC (see the July 30, 2015 and August 20, 2015 FERC Orders). Upon issuance of future FERC order(s) acting on or impacting the Florida transmission providers' OATT sections on their Transmission Planning Processes, the FRCC Planning Committee shall cause this Regional Transmission Planning Process to be amended and approved by the FRCC Board of Directors to incorporate the Florida transmission providers' FERC-approved OATTs.
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1.0 Purpose

The objective of the FRCC Regional Transmission Planning Process (“Planning Process,” “Regional Plan” or “RTPP”) is to ensure coordination of the transmission planning activities within the FRCC Region in order to provide for the development of a reliable, cost effective and efficient transmission network in the FRCC Region.

The RTPP is intended to develop a reliable, cost effective and efficient regional transmission plan to meet the existing and future requirements of all customers/users, providers, owners, and operators of the transmission system in a coordinated, open and transparent transmission planning environment.

The RTPP is intended to ensure the long-term reliability of the Bulk Electric System (“BES”) in the FRCC region. However, nothing in this process is intended to limit or override rights or obligations of transmission providers, owners and/or transmission customers/users contained in any rate schedules, tariffs or binding regulatory orders issued by applicable federal, state or local agencies. In the event that a conflict arises between the RTPP and the rights and obligations included in those rate schedules, tariffs or regulatory orders, and the conflict cannot be mutually resolved among the appropriate transmission providers, owners, or customers/users, any affected party may seek a resolution from the appropriate regulatory agencies or judicial bodies having jurisdiction.

2.0 Terms and Definitions

2.1 Refer to North American Electric Reliability Corporation (“NERC”) Glossary of Terms for definitions of capitalized terms not listed below.

2.2 Approved Cost Effective or Efficient Regional Transmission Solutions (“CEERTS”) Project

A project that has achieved successful completion of the items in the Biennial Transmission Planning Process (“BTPP”) steps 1 through 6, and approved by the FRCC Board of Directors for inclusion in the regional transmission plan. Any transmission projects that are being avoided due to the approved CEERTS project are removed from the regional transmission plan and associated regional models.

2.3 Enrolled Transmission Provider

Transmission provider that has been granted enrollment in the planning process for purposes of regional cost allocation by the FRCC.

2.4 Project Sponsor

The entity (or entities) that submit all of the required elements of a project proposal that is to be considered a potential CEERTS project.
3.0 Background

The RTPP is implemented in the FRCC as two distinct and separate processes, (1) the Annual Transmission Planning Process (“ATPP”), and (2) the Biennial Transmission Planning Process (“BTPP”). The ATPP is the result of coordinating each of the FRCC members’ local plans to develop the overall Regional Plan. The ATPP is closely tied to the region’s NERC compliance activities, many of which have annual requirements for compliance with Reliability Standards for modeling, facilities, and transmission planning. The BTPP is initiated in odd-numbered years and runs concurrently with the ATPP in order to identify and evaluate more cost effective or efficient regional transmission solutions, or “CEERTS” projects. The BTPP includes a regional evaluation of the Board-approved plan to determine if there are solutions meeting CEERTS project criteria that could be proposed for regional cost allocation. The evaluation also considers potential transmission solutions to transmission needs driven by public policy requirements.

4.0 Applicability

4.1 FRCC Planning Coordinator/Authority

The ATPP portion of this RTPP is applicable to the FRCC as a Planning Coordinator/Authority.

4.2 Enrolled Transmission Providers

The cost allocation portion of the BTPP included in this RTPP is applicable to Enrolled Transmission Providers.

5.0 Responsibilities

5.1 FRCC Board of Directors (“FRCC Board” or “Board”)

The FRCC Board shall have the responsibility to approve this document and ensure this process is fully implemented.

5.2 FRCC Planning Committee (“FRCC PC”)

The FRCC PC is responsible for approving and endorsing the document for FRCC Board approval. The FRCC PC shall direct the Transmission Working Group (“TWG”), the Stability Working Group (“SWG”), the Resource Working Group (“RWG”), and the Regional Projects Subcommittee (“RPS”) as appropriate, in conjunction with the FRCC Staff, to conduct the necessary studies to fully implement the RTPP.

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1 To be considered in transmission planning, a public policy requirement must be reflected in state, federal, or local law or regulation (including an order of a state, federal, or local agency).

Classification: Public
5.3 FRCC Regional Projects Subcommittee ("RPS")

As directed by the FRCC PC, the RPS shall be responsible for supporting the efforts associated with the BTPP or other duties as assigned by the FRCC PC. The RPS is also responsible for this document’s review and modification before submitting the document for FRCC PC approval.

5.4 FRCC Transmission Working Group ("TWG")

As directed by the FRCC PC, the TWG shall be responsible for supporting the efforts associated with the ATPP or other duties assigned by the FRCC PC.

5.5 FRCC Stability Working Group ("SWG")

As directed by the FRCC PC, the SWG shall be responsible for supporting the efforts associated with the ATPP or other duties assigned by the FRCC PC.

5.6 FRCC Resource Working Group ("RWG")

As directed by the FRCC PC, the RWG shall be responsible for supporting the efforts associated with the ATPP or other duties assigned by the FRCC PC.

6.0 Principles

It is the intent of the FRCC that the Planning Process be conducted in a coordinated, open, and transparent manner, including facilitation of information exchange, in such a way that it ensures fair treatment for all customers/users, owners and operators of the transmission system. This will be accomplished through the processes described herein.

6.1 Coordination

The FRCC expects its member transmission providers to consult and interact directly with their customers and stakeholders in providing transmission service and generator interconnection service as well as with their neighboring transmission providers and FRCC Staff, on a regular basis. An open dialogue between transmission customers and their transmission providers takes place regarding customer needs. This interaction and dialogue between the customers and Transmission Providers are part of the transmission providers’ local transmission network planning processes. Within those processes, topics such as load growth projections, planned generation resource additions/deletions, new delivery points and possible transmission alternatives are discussed. This dialogue is intended to provide timely and meaningful input and participation of customers during the early stages of development of the transmission plan. The transmission providers communicate with their neighboring transmission providers on a regular basis, and the transmission providers facilitate communication and consultation between customers and their neighboring transmission owners/providers, specifically, if during the transmission service study process, a neighboring system's facilities are identified as being affected. This coordination process continues in a seamless manner at the local as well as the regional level with FRCC Staff, leading to each transmission provider providing an initial transmission plan which, when consolidated, becomes the
The openess principle is incorporated in this FRCC Regional Transmission Planning Process in which member transmission providers participate, along with other parties, in the committee and working processes at the FRCC as described below. The participants in the planning process at the FRCC are the sector representative of the FRCC PC. A list of representatives may be found on the FRCC website under the FRCC PC Member List (pursuant to 6.2.4). The Rules of Procedure for FRCC Standing Committees’ document on the FRCC website describes the FRCC PC structure and processes as they relate to Organization Structure, Standing Committee Representation, Standing Committee Quorum and Voting, Duties of Officers and Representatives, General Procedures for Standing Committees, FRCC Representation on NERC Committees, Procedures of Minutes of
Meetings and Conduct of the Meeting. If an interested entity is an FRCC member, they may participate in the committees via participation within one of the identified sectors (Supplier Sector, Non-Investor Owned Utility Wholesale Sector, Load Serving Entity Sector (including municipals and cooperatives), Generating Load Serving Entity Sector, Investor Owned Utility Sector, and General Sector (this sector provides for any entity or individual's participation)). If a party is not a member, they may participate in open committee meetings that are scheduled as part of the BTPP process. Moreover, at the FRCC regional level interested stakeholders have an opportunity to raise any special requirements that they have and believe have not been addressed at the local level.

Customer input is included in the early stages of the development of the transmission plans, as well as during and after plan evaluation processes. Detailed evaluation and analysis of the transmission owners'/providers’ plans are conducted by the FRCC working groups under the direction of the FRCC PC. Such evaluation and analysis provides the basis for possible changes to the transmission owners'/providers’ plans that could result in a more reliable and more robust transmission system for the FRCC Region. The FRCC PC meets on a regular basis, usually monthly, with two weeks prior notice.

6.2.1 Meetings

The FRCC meeting dates are provided in the FRCC Calendar document on the FRCC website and the chairs and member representatives for the various committees are posted on the FRCC website under the FRCC Committees (pursuant to 6.2.4). The meeting agenda for the FRCC PC is normally provided two weeks prior to the meeting to the committee members.

FRCC meeting notices, meeting minutes and documents of FRCC PC and/or FRCC Board meetings in which transmission plans or related study results will be exchanged, discussed or presented, are distributed by the FRCC.

6.2.2 Standards of Conduct

The FRCC has developed the FERC Standards of Conduct Protocols for the FRCC (“Standards of Conduct Protocols”) document for the purpose of ensuring proper disclosure of transmission information in accordance with FERC requirements. The primary rule is that a transmission provider must treat all transmission customers, affiliated and non-affiliated on a non-discriminatory basis, and it cannot operate its transmission system to give a preference to any transmission customer or to share non-public transmission or customer information with any transmission customer. The rules also prevent transmission function employees from sharing with their merchant employees and certain affiliates non-public transmission information about the transmission provider's transmission system or any other transmission system, which is information that the affiliated merchant employee receiving the information could use to commercial advantage. All documents created by, or for, the FRCC that contain non-public transmission information shall be handled consistent with the Standards of Conduct Protocols.
6.2.3 Rules of Procedure

The FRCC conducts the planning process in an open manner in such a way that it ensures fair treatment for all customers, stakeholders, owners and operators of the transmission system. Stakeholders have access to and participate in the FRCC planning process. The committees and working groups described in this document are stakeholder groups. The FRCC PC consists of six stakeholder sectors: Suppliers, Non-Investor Owned Utility Wholesalers, Load Serving Entities, Generating Load Serving Entities, Investor Owned Utilities, and General. The rules of procedure governing the FRCC PC in conducting this FRCC RTPP are posted under the Rules of Procedure for FRCC Standing Committees on the FRCC website.

The FPSC is encouraged to and does participate in the FRCC RTPP.

6.2.4 Confidential / Proprietary Information and CEII

This FRCC RTPP provides for the overall protection of all confidential and proprietary information that is used to support the planning process. A customer, stakeholder or other interested entity may enter into a confidentiality agreement with the FRCC to be eligible to receive transmission information that is restricted due to Critical Energy Infrastructure Information ("CEII"), security, business rules and standards and/or other limitations. The FRCC procedure for requesting this type of information is delineated at the FRCC website under the Request for FRCC Transmission Information document.

6.3 Transparency

Providers, performing their local area planning processes, utilize the FRCC databanks as the base case for their studies. The FRCC databanks contain information provided by the FRCC member transmission providers and customers of projected loads, as well as all planned and committed transmission and generation projects, including upgrades, new facilities and changes to planned-in-service dates over the planning horizon. Within their local area planning processes, transmission providers make available to a transmission service customer the underlying data, assumptions, criteria and underlying transmission plans utilized in their study processes.

Once the results of the transmission providers’ local area planning processes are reflected in the FRCC’s initial transmission plan, the FRCC seeks input and feedback from transmission customers and stakeholders for any issues or concerns that are identified and independently assesses the initial regional transmission plan from a FRCC regional perspective. A dialogue among the FRCC, transmission customers, stakeholders, and transmission owners/providers occurs within the BTPP to address any issues identified during this process. When the FRCC regional transmission plan has been approved by the FRCC PC, it is sent to the FRCC Board for approval. After the FRCC Board approves the FRCC regional transmission plan, it is posted on the FRCC website and the FRCC sends notice to the FPSC that the final regional transmission plan is available for their use and review upon request. Additionally, the FRCC compiles all of the individual transmission providers’/owners’ FERC Form 715s within the FRCC region and files all FERC Form 715s for its members with the FERC on an annual basis.
6.3.1 Reliability Standards and Criteria

Studies conducted pursuant to this RTPP utilize the applicable reliability standards and criteria of the FRCC and NERC that apply to the Bulk Power System as defined by NERC. Such studies also utilize the specific design, operating and planning criteria used by FRCC transmission owners/providers. The transmission planning criteria are available to all customers and stakeholders. Transmission planning assumptions, transmission projects/upgrades and project descriptions, scheduled in-service dates for transmission projects and the project status of upgrades will be available to all customers through the FRCC periodic project update process. The FRCC working groups update and distribute transmission projects/upgrades project descriptions, scheduled in-service dates, and project status on a regular basis, no less than quarterly to the FRCC PC. The FRCC also updates and distributes on a periodic basis the load flow database. The FRCC prepares and posts system impact study schedules so that other potentially impacted transmission owners/providers can assess whether they are affected and elect to participate in the study analysis. The FRCC planning studies are also distributed by the FRCC and updated as needed. All entities that have transmission projects/upgrades in the regional transmission plan shall provide updates on such projects at least annually.

6.3.2 Additional Reports and Documents

The FRCC also produces the following annual reports which are submitted or made available to the FPSC. These reports and documents are also available to customers, stakeholders or other transmission owners/providers through the Information Exchange discussed in Section 6.4 below:

a. The Regional Load and Resource Plan contains aggregate data on demand and energy, capacity and reserves, and proposed new generating unit and transmission line additions for Peninsular Florida as well as statewide.

b. The Reliability Assessment is an aggregate study of generating unit availability, forced outage rates, load forecast methodologies, and gas pipeline availability.

c. The Long Range Transmission Reliability Study is an assessment of the adequacy of Peninsular Florida's bulk power and transmission system. The study includes both short-term (1-5 years) detailed analysis and long-term (6-10 years) evaluation of developing trends that would require transmission additions or other corrective action. Updates on regional areas of interest and/or constraints (e.g., Central Florida) are also addressed.

6.4 Information Exchange

Transmission providers participate in information exchange on a regular and ongoing basis with the FRCC, neighboring utilities, and customers. Transmission customers are required to submit data to the transmission providers in order to plan for the needs of network and point-to-point customers. Such data/information includes load growth projections, planned generation resource additions/upgrades (including network resources), any demand response resources, new delivery points, new or continuation of long-term firm point-to-point transactions with specific receipt (i.e., source or electrical location of generation resources) and delivery points, (i.e., the electrical location of load or sink where the power will be delivered to), and planned transmission facilities.

Classification: Public
The transmission providers utilize the information provided in modeling and assessing the performance of their systems in order to develop a transmission plan that meets the needs of all customers of the transmission system. The transmission providers exchange information with transmission customers to provide an opportunity for them to evaluate the initial study findings or to propose potential alternative transmission solutions for consideration by their transmission provider. Through this information exchange process the transmission customers have an integral role in the development of the transmission plan. Consistent with the transmission providers’ obligation under federal and state law, and under NERC and FRCC reliability standards, the transmission providers are ultimately responsible for their transmission plans.

6.4.1 FRCC Databank Development

The FRCC TWG sets the schedule for data submittal and frequency of information exchange which starts at the beginning of each calendar year. Updates and revisions are discussed at the FRCC PC meetings by the members. This process requires extensive coordination and information exchange over a period of several months as the FRCC develops electric power system load-flow databank models for the FRCC Region. The models include data for every utility in peninsular Florida and are developed and maintained by the FRCC. The TWG is responsible for developing and maintaining power flow base cases. The FRCC power flow base case models contain the data used by the FRCC and transmission providers for intra- and inter-regional assessment studies, and other system studies. The models created also are the basis for the FRCC submittal to the NERC Multi-regional Modeling Working Group ("MMWG"). TWG members support the data collection requirements and guidelines related to the accurate modeling of generation, transmission and load in the power flow cases. The FRCC Load Flow & Short Circuit Data Bank Procedural Manual provides the guidelines and procedures adopted for the load flow and short circuit databank development and maintenance efforts. They are intended to provide consistency in data submittals, improve coordination among developers and users of the databank, and increase understanding of the modeling assumptions used.

The FRCC maintains databanks of all FRCC members' projected loads and planned and committed transmission and generation projects, including upgrades, new facilities, and changes to planned in-service dates. These databanks are updated on a periodic basis. The FRCC maintains and updates the load flow, short circuit, and stability models. All of this above information is distributed by the FRCC, along with the FRCC transmission planning studies, subject to possible redaction of user sensitive or critical infrastructure information consistent with market and business rules and standards.

6.4.2 Transmission Developer Interconnection Requests

Any transmission developer that is not participating in the regional transmission planning process (and therefore not seeking regulated cost-of-service recovery) that proposes to develop a transmission project in the FRCC region shall provide to the FRCC PC and affected transmission providers in the FRCC region such information and data related to its proposed project that are necessary to allow the FRCC PC and affected transmission providers in the FRCC region to assess the potential reliability and operational impacts of the
non-participant developer's proposed transmission facility on the transmission system in the region. That information should include: transmission project timing, scope, network terminations, load flow data, stability data, HVDC data (as applicable), and other technical data necessary to assess potential impacts.

The required information and data shall be provided with the transmission developer's interconnection request(s). Non-participant developers' transmission projects will not be included in long-term planning models or interconnected to the existing transmission system until and unless: 1) interconnection service has been requested of affected transmission provider(s); and 2) all interconnection studies have been completed.

6.4.3 FRCC OASIS Information

Finalized documents produced by, or for, the FRCC that contain Non-Public Transmission Information that will be made public by being posted on the FRCC Planning site are linked directly to each Florida transmission provider’s OASIS before the documents are shared with FRCC members. This ensures that anyone with OASIS certification will have access to these documents. The finalized documents shall then be posted on the FRCC’s member website and can be distributed to FRCC committees, subcommittees or working groups, as necessary.

7.0 Regional Transmission Planning Process Overview

Study Process

Studies conducted pursuant to this RTPP shall utilize the applicable criteria for NERC Reliability Standards and FRCC standards to the BES. Such studies shall also utilize the specific design, operating and planning criteria used by the transmission owners/providers to the extent these specific design, operating and planning criteria meet NERC and FRCC standards and criteria for reliability or are more stringent than any applicable NERC and FRCC standards and criteria for reliability.

For purposes of this RTPP, analysis of 69 kV transmission facilities within the region that do not fall under the NERC definition of BES may be included in studies as though they were included in the NERC BES definition in order to better coordinate and improve the transmission system in the FRCC Region.

The RTPP begins with the consolidation of the long-term transmission plans of all of the transmission owners/providers in the FRCC Region including any previously approved CEERTS projects. It is the FRCC’s expectation that the long-term transmission plans incorporate the integration of new firm resources as well as other firm commitments. This will include modeling of all transmission facilities 69 kV and above or representative equivalents (facilities exempted by NERC or excluded from the BES by NERC definition may be represented by equivalent models). Detailed evaluation and analysis of these plans will be conducted by the RPS/TWG/SWG/RWG as applicable, or any consultants retained by the FRCC, in collaboration with the FRCC Staff, and directed by the FRCC PC. Such evaluation and analysis will provide the basis for potential changes to individual and/or regional transmission system plans that, if implemented, would result in a more reliable, cost effective or efficient transmission system for the FRCC Region.

Classification: Public
The assessment of the long-term transmission plan shall be comprehensive and in-depth. While the final recommended plan may not call for the construction of all transmission facilities identified in various sensitivities, the assessment will provide valuable information on the strength of the transmission system to aid in understanding how the system would perform in various situations.

The examination of multiple expected system conditions shall be performed, including an assessment of areas with recurring, significant congestion. As determined by the FRCC PC, these conditions or sensitivities (beyond those sensitivities required by NERC standards) may include any of, but not be limited to, the types listed below:

- Transmission and/or generation facilities unavailable due to scheduled and/or forced outages.
- Weather extremes for summer and winter periods.
- Different load levels (e.g., 100%, 80%, 60%, and 40%) and/or periods of the year (winter, spring, summer and fall).
- Various generation dispatches that will test or stress the transmission system which may include economic dispatch from all generation (firm and non-firm) in the region.
- Reactive supply and demand assessment (e.g., generator reactive limits, power factor, etc.)
- A specific area where a combination/cluster of generation and load serving capability is among various transmission owners/providers in the FRCC that continually experience or is expected in the future to experience significant transmission congestion on their transmission facilities will be reviewed annually and restudied as required. The analysis should reflect the upgrades necessary to integrate new generation resources and/or loads on an aggregate or regional (cluster) basis.

Additionally, such analysis may include an estimate of the cost of congestion, as appropriate.

- Other scenarios or system conditions as identified by the FRCC PC (e.g., stability analysis)

For the first 5 years of the planning period, a detailed evaluation will be conducted. For years 6 through 10, a more generalized higher-level study will be conducted.

The FRCC PC shall submit a formal report of the assessment and findings, including any recommendations to the Board. The FRCC PC shall also submit formal reports for the assessment and recommendation of CEERTS projects to the Board as applicable. Such reports shall include action plans that identify:

- Any recommended modifications to transmission owners’/providers’ long-term plans that, in the judgment of the FRCC PC, offer worthwhile enhancements to regional transmission grid reliability, including any CEERTS projects.
- The identification of those elements of the recommended plan that cannot be implemented due to the inability to obtain the required commitments of the affected transmission

Classification: Public
owner(s)/provider(s) and user(s) to implement the plan.

- The identification of an alternative plan that does have the commitment of the affected transmission owner(s)/provider(s) and user(s) with regard to implementation.

- Any minority views expressed by any member of the FRCC PC or Project Sponsor as well as the identification of any unresolved issues.

### 7.1 Annual Transmission Planning Process

A Regional FRCC Transmission Plan ("Regional Plan") shall be developed on an annual basis using the ATPP. The Regional Plan takes into consideration the TYSPs that are required to be submitted to the FPSC on April 1st of each year. Any generating or transmission entity not required to submit a TYSP to the FPSC, shall submit its ten-year plan, consistent with the requirements of the FPSC TYSP, to the FRCC on April 1st of each year. Such entity’s ten-year plan shall include the generation expansion plans for load serving entities, firm/network use of transmission, and any planned/proposed transmission system changes, including additions, cancellations, deferrals, and retirements, by transmission owners/providers. The Regional Plan also includes CEERTS projects identified and analyzed through the BTPP that have been approved by the Board. The BTPP runs concurrently with the ATPP.

#### Step 1

**FRCC PC Initiates FRCC Transmission Planning Review and Coordination Process**

Transmission owners/providers shall submit to the FRCC PC their latest 10-year expansion plan for their transmission system by every April 30th, including (1) a list of planned transmission projects and their associated in-service dates that provides for all of their firm obligations based on the best available information, and (2) a list of projects that were deferred, or cancelled from the previous 10-year expansion plan’s original in-service date, and (3) any transmission facility retirements for inclusion into the load flow databank. FRCC will post the initial regional transmission plan on the FRCC website consisting of these planned transmission projects along with their previous in-service dates, current in-service dates, and planned facility retirements.

#### Step 2

**Feedback from Transmission Customers/Users/Others of Individual 10-Year Expansion Plan**

Transmission customers/users and other affected parties shall submit to the FRCC PC and affected transmission owners/providers any issues or special needs they feel have not been adequately addressed by the applicable transmission owner's/provider's 10-year expansion plan, and the underlying evaluation demonstrating the rationale for their concern.

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2 The “Regional Plan” consists of the Long Range Study (including operational procedures) approved by the Board and the list of projects included in the Project Information Form (“PIF”).
Step 3

Review and Assessment by the FRCC PC

The FRCC PC shall review and assess the initial regional transmission plan consisting of transmission owners'/providers’ plans from an overall FRCC perspective, ensuring that all affected transmission customers'/users’ issues have been identified.

The FRCC PC, the transmission owners/providers and the transmission customers/users shall consult, as appropriate, during this period to address the issues of all parties to ensure their due consideration with regard to possible inclusion into the Regional Plan.

The FRCC PC shall address any issue or area of concern not previously or adequately addressed, with emphasis on constructing a robust regional transmission system.

As identified under Information Exchange above, the databank used in the development of the Regional Plan will be updated at least quarterly by the TWG. Members will re-confirm in-service dates for under-construction, planned, proposed and conceptual projects on at least a quarterly basis.

Members will bring to the attention of the TWG any project changes as soon as possible to allow potentially affected parties as much lead time as possible for implementing alternative solutions. Any changes to the databank that could materially impact the Regional Plan, or affected other parties, will be reviewed by the TWG to determine whether the Regional Plan should be revised to reflect those changes.

The TWG shall send the coordinated study (the preliminary Regional Plan) to the FRCC PC for approval. If required prior to approval, the FRCC PC shall form working group(s), as necessary, to address specific matter(s) that require further technical assessment or evaluation.

Step 4

Issuance of Preliminary Regional Plan

The FRCC PC shall issue the preliminary Regional Plan to all FRCC members, and shall identify any proposed modification to the original transmission owner’s/provider’s plan. The purpose of this step is to receive comments and to identify any remaining unresolved issues.

Step 5

Approval of Regional Plan

The FRCC PC shall present to the transmission owners/providers, affected transmission customers/users, and other FRCC members a general overview and comments on the preliminary Regional Plan, including proposed modifications to each transmission owner’s/provider’s individual transmission plan.

The FRCC PC shall identify and discuss minority opinions and unresolved issues.

The FRCC PC shall approve the Regional Plan and present it to the Board for its consideration. The
Plan may include specific matters that require further technical assessment or evaluation that have been assigned to a working group, and some unresolved issues may still be pending final resolution.

The Board shall take action on the Regional Plan. The resultant Board approved Regional Plan shall be posted on the FRCC public website and the FRCC will send a notice to the FPSC that the final regional transmission plan is available for their use and review upon request.

**Step 6**

**Unresolved Issues**

If any member of the FRCC PC eligible to vote has an unresolved issue(s) after the FRCC PC approves the Regional Plan, said member may direct the FRCC PC to present such unresolved issue(s) to the Board at the same time the Regional Plan is presented for approval.

If the Board fails to satisfy the concerns of the party raising the unresolved issue(s), the party may request the matter be set for dispute resolution in accordance with procedures contained within the FRCC Bylaws.

**7.2 Biennial Transmission Planning Process**

The BTPP is the process by which transmission providers, FRCC Staff, and other FRCC members identify and evaluate whether there are more efficient or cost-effective regional transmission solutions to regional transmission needs relative to the transmission facilities in the Regional Plan and applies to reliability, economic and public policy regional transmission projects. The regional analysis will be initiated in mid-January of odd-numbered years by the RPS, under the direction of the FRCC PC, and shall utilize the standards, criteria, data, models, methods and studies of the local transmission plans, supplemented as necessary. The regional analysis conducted in the BTPP shall determine if there is a solution meeting CEERTS project criteria that could be proposed for regional cost allocation.

The regional analysis shall also include consideration of potential transmission solutions to transmission needs driven by public policy requirements, as such needs are identified. The provisions for stakeholder involvement and input in the regional transmission plan, and the ability to propose CEERTS Projects on their own initiative, as set forth in these steps, are fully applicable to potential transmission solutions due to transmission public policy needs driven by public policy requirements.

Any entity desiring to propose a CEERTS project for regional cost allocation must submit such a CEERTS project to the FRCC no later than June 1st of the first year of the BTPP. The entity proposing a CEERTS project is referred to as the Project Sponsor. The Project Sponsor for a CEERTS project need not be the project developer for that project.

In addition to the right of individual entities to submit potential CEERTS projects, the RPS, made up of transmission providers and other interested entities, shall proactively seek out potential CEERTS projects from its analysis of the most recent Board-approved plan. This will occur during the period February through April of the first year of the BTPP cycle.
7.2.1 Proactive Planning for Potential CEERTS Projects

Gather all relevant information relating to the most recent Board-approved plan (e.g., Final Project Information Form, approved Long Range Study, early project suggestions from interested entities); and request and collect all necessary supplemental information from transmission providers and other entities (e.g., project details and cost estimates for projects identified for potential displacement, list of potentially feasible projects not selected in the initial regional transmission plan).

Analyze the current plan information to identify potential opportunities for CEERTS projects. Seek justification for remedies that do not have projects planned, and synergies with the planned projects that potentially could be modified, combined, or accelerated for a more cost effective or efficient regional transmission solution. The analysis will include comparative load flow studies to evaluate various potential transmission CEERTS projects. For example, comparative load flow studies will be run to identify and evaluate potential CEERTS projects that could displace transmission projects in the initial regional transmission plan.

**Alternative Projects**

If a potential CEERTS project is identified that addresses a regional reliability or economic transmission need(s) for which no transmission projects are currently planned, an analysis will be performed to identify local and/or alternative transmission project(s) which would also fully and appropriately address the same regional transmission need(s). These local and/or regional alternative transmission project(s) will be identified through comparative load flow studies. The alternative project(s) will be used to determine the Total Estimated Alternative Project Cost Benefit in the CEERTS Project Cost-Benefit Analysis described in Step 5C below.

If a potential regional public policy transmission need has been identified for which no transmission projects are currently planned and for which no CEERTS project has otherwise been submitted for evaluation, an analysis will be performed to identify a potential CEERTS project that would satisfy that regional public policy transmission need in a least-cost manner by evaluating various potential transmission project alternatives.

Develop potential CEERTS project alternatives and solicit project sponsorship from Enrolled Transmission Providers and other entities which may have an interest in sponsoring potential CEERTS projects.

A potential CEERTS project developed by this process will contain the following minimum set of transmission project information:

- General description of the transmission facilities being proposed;
- General path of the transmission lines, if applicable; and
- Transmission systems that would interconnect with the potential CEERTS project.
The FRCC shall post a notice on its website of any potential CEERTS projects identified through this process. Notice shall be posted by May 1st of the first year of the BTPP cycle to provide time for meeting sponsorship requirements by June 1st.

Each identified potential CEERTS project will require at least one sponsor in order to be submitted to the FRCC for consideration. Multiple sponsors of the same project will be considered joint sponsors and shall equally share the required $100,000 deposit unless the Project Sponsors otherwise mutually agree to a different sharing of the deposit. Potential CEERTS projects identified in this process shall not have competing sponsors for the same project. An entity that is not a Project Sponsor or joint Project Sponsor of a potential CEERTS project shall not be eligible to be a developer of that project unless the Project Sponsor(s) discontinue development of that project.

The Project Sponsor or joint Project Sponsors shall submit the potential CEERTS project for consideration by June 1st of the first year of the BTPP.

7.2.2 Analysis of Sponsored CEERTS Projects

Once potential CEERTS projects with sponsors are proposed for the BTPP, the following steps are carried out under the direction of the FRCC PC:

Step 1

FRCC PC Reviews CEERTS Project Submittals

To be eligible for approval by the Board for inclusion in the Regional Plan, a proposed CEERTS project must meet threshold criteria and the project submittal must include certain elements. The FRCC PC will review CEERTS Project Sponsor submittals and ensure that they meet the threshold criteria, and the minimum submittal requirements within 30-45 days following the submittals.

The following threshold criteria must be met for CEERTS projects:

- Be a transmission line 230 kV or higher and 15 miles or longer; or
- Be a substation flexible AC transmission system (“FACTS”) device (e.g., series compensation or static var compensator) designed to operate at 230 kV or more; and
- Be materially different from projects already in the Regional Plan.  

Local transmission facilities located solely within a transmission provider’s footprint (e.g., Balancing Authority Area) that are not selected in the regional transmission plan for purposes of cost allocation cannot qualify as CEERTS projects. Such facilities are the responsibility of the transmission providers to meet reliability needs and/or other obligations within its retail distribution service territory or footprint.

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3 The FRCC will consider a CEERTS project to be materially different from another CEERTS project if, for example, it displaces a different local project or projects or is not considered a minor adjustment to an existing local or CEERTS project that it is displacing. Minor adjustments could include changes in equipment size, different terminal bus arrangement, or slight change in route.
Minimum Requirements for CEERTS Project Submittals:

Project Sponsor Only
Project Sponsors that do not also intend to be a project developer of CEERTS projects must submit the following minimum set of information:

- General description of the transmission facilities being proposed;
- General path of the transmission lines; and
- Transmission systems that would interconnect with the proposed CEERTS project.

Project Sponsor/Developer
Those Project Sponsors that intend to be the project developer of CEERTS projects shall so indicate and shall submit the following information:

- Transmission project technical information
  - Description of the transmission facilities being proposed (e.g., voltage levels);
  - General path of the transmission lines; and
  - Interconnection points with the existing transmission system.
- A cost estimate and a recommended in-service date for the project. A project developer may also submit a demonstration of its cost containment capabilities, including any binding agreement to accept a cost cap for the developer’s cost of the transmission project if it is selected as a CEERTS project.
- A high-level summary of who will own, operate and maintain the CEERTS project, to the extent available.

A Project Sponsor may also submit any studies and analysis it performed to support its proposed CEERTS project, including the below:

- Reliability impact assessment.
- Load flow analysis that demonstrates performance utilizing the FRCC load flow model. The Project Sponsor, if not an FRCC member, may obtain this model upon request from the FRCC (“Request for Florida Reliability Coordinating Council (FRCC) Transmission Information” document is posted on the FRCC website).
- Identification of projects in the regional transmission plan that would be affected or avoided as well as any additional projects that may be required. A demonstration through a technical evaluation process that the CEERTS project is equal to or superior to avoided projects from the current regional transmission plan.

A deposit of $100,000\(^4\) shall be submitted by the Project Sponsor at the time the project is submitted (e.g., June 1st of the BTPP cycle) for each CEERTS project.

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\(^4\) This deposit will be used for FRCC internal labor costs for analysis of the project as well as any out-of-pocket expenses such as for independent consultants (unexpended amounts shall be refunded, with interest, to the Project Sponsor(s), as applicable). The actual costs incurred by the FRCC to analyze the CEERTS project will be borne by the Project Sponsor and the deposit will be trued up based on the documented cost of the analysis. An accounting of the actual costs of the CEERTS project analysis including an explanation of how the costs were calculated will be provided to the Project Sponsor after the analysis has been completed. Any disputes regarding the accounting for specific deposits will be addressed through the Dispute Resolution Procedures.
If a submittal is incomplete, the FRCC PC shall inform the CEERTS Project Sponsor in writing within 15 days after the next regularly scheduled FRCC PC meeting of the specific deficiency(ies), and the Project Sponsor shall be given an opportunity, within 30 days, to submit the information required for a complete submittal.

**Step 2**

**FRCC PC Updates FRCC Board and Posts Information on FRCC Website**

At the next Board meeting following the review in Step 1, the FRCC PC shall provide an update to the Board related to all projects that have been submitted and deemed complete. The FRCC PC shall post this information on the FRCC website (subject to any posting restrictions to protect CEII or other confidential information). At that time, the FRCC PC shall also post on the FRCC website (subject to any posting restrictions to protect CEII or other confidential information) any determination that a proposed CEERTS project is not materially different from a project or projects already in the Regional Plan. Such posting will include an explanation of the basis for the determination that the proposed CEERTS project is not materially different.

**Step 3**

**Regional Projects Subcommittee Performs Technical Analysis with Independent Consultant and Drafts Report for the FRCC PC to Inform Board**

During the succeeding three to five months following the Board meeting in Step 2 of the BTPP, the FRCC PC will assign the RPS to work together with an independent consultant to conduct a technical analysis for the purpose of either developing CEERTS project information or validating CEERTS project information and analysis provided by the Project Sponsor. Such analysis will be performed in a manner consistent with other technical analyses performed under the direction of the FRCC PC.

A. The development/validation process will either develop the needed CEERTS project parameters or validate the information and analysis provided by the Project Sponsor. This analysis will examine the following:

1. Transmission project technical information:
   a) Description of the transmission facilities being proposed (e.g., voltage levels);
   b) General path of the transmission lines; and
   c) Interconnection points with the existing transmission system.

2. Load flow analysis that demonstrates adequate NERC Reliability Standards performance utilizing the FRCC load flow model.

3. Whether it can be demonstrated through a technical evaluation process that the CEERTS project is equal to or superior to avoided projects from the current regional transmission plan; or equal to or superior to the alternative transmission project(s) that address(es) the same transmission need(s), which alternative must be identified if
there are no transmission projects currently planned for the relevant transmission need(s) (refer to **Alternative Projects** in 7.2.1).

a) The FRCC PC shall verify that the proposed CEERTS project addresses transmission need(s) for which there are no transmission projects currently planned, and that the alternative project(s) to the CEERTS project could also meet such need(s). After the alternative project(s) are verified to meet such needs, the FRCC PC shall request that the entities responsible for the alternative project(s) provide cost information to the FRCC PC to be used in the FRCC PC’s analysis.

4. Identification of projects in the regional transmission plan that would be affected or avoided as well as any additional projects that may be required.

a) The FRCC PC shall request that the entities responsible for the existing project(s) that could be impacted by the proposed CEERTS project, or entities who would be required to implement additional local projects provide cost information to the FRCC PC to be used in their analysis;

5. Cost estimate for the proposed CEERTS project; and

6. In-service date for the project.

B. The FRCC PC will also consider any proposed non-transmission alternatives on a comparable basis with the CEERTS project.

C. The FRCC PC will provide the CEERTS Project Sponsor and stakeholders an opportunity to review and provide input on a report that includes its findings from the technical analysis performed, and then the report will be provided to the Board with a recommendation as to whether the proposed CEERTS project should proceed to Step 4 of the BTPP. The CEERTS Project Sponsor and stakeholders shall be given 15 days to also provide written comments on the report to the Board following the date on which the FRCC PC provides the report and its recommendations to the Board.

**Step 4**

**FRCC Board Reviews CEERTS Report with Project Sponsor(s) and Makes a Determination**

Over a period of two-to-three months from receipt of the FRCC PC report and any comments on the report provided by the CEERTS Project Sponsor and stakeholders pursuant to Step 3 of the BTPP, the Board will review the FRCC PC report and any comments received and determine if the CEERTS project should proceed to Step 5 of the BTPP. The CEERTS Project Sponsor shall be invited to be present and participate in any Board meeting that addresses the FRCC PC report in order to answer questions and to present its views regarding the CEERTS project and the FRCC PC report.
If the Board determines that the CEERTS project should proceed to Step 5 of the BTPP, the project(s) may be included as a sensitivity in the ATPP. If a CEERTS Project Sponsor does not agree with the Board’s determination, then the Dispute Resolution Procedures in the FRCC Bylaws are available for use by the CEERTS Project Sponsor.

**Step 5**

**Cost / Benefit Analysis Performed and FRCC PC Provides a Report to the FRCC Board**

Over a period of two-to-four months from the Board approval of the continuation of the CEERTS project evaluation in Step 4, the process described below will be performed by the FRCC PC under the direction of the Board.

A. A meeting will be organized by the FRCC PC to provide the CEERTS Project Sponsor an opportunity to fully describe its proposed CEERTS project. This meeting is the venue to fully discuss the CEERTS project, taking into account the technical analysis performed by the FRCC PC, as well as any potential revisions, including transmission technical aspects, transmission project costs, and affected projects. This meeting also provides the opportunity for potentially affected transmission providers to discuss these matters. If no developer is a Project Sponsor of the proposed project, then this meeting also provides an opportunity for potential developers to express interest in being considered as the Project Developer of the CEERTS project (if no entity expresses interest as the Project Developer then the project will not move forward and the projects in the Regional Plan that would have been avoided by the CEERTS project will remain in the Regional Plan). If multiple qualified project developers express an interest in developing a CEERTS project for which the Project Sponsor does not plan to be the developer, then such developers must each submit, within the 30 days following the meeting held pursuant to this section A, the project information identified in Step 1 above, and these project developer proposals will be evaluated in the remainder of the steps identified in Step 5. This forum will enable the CEERTS project to be fully reviewed by all affected parties.

B. The FRCC PC will consider the proposed project in light of the criteria set forth in Step 3 of the BTPP above and as set forth below.

1. A cost-benefit analysis must be performed in accordance with Step 5 of the BTPP, part C for reliability/economic projects by an independent consultant. If the result of this analysis is a benefit-to-cost ratio of greater than 1.00, the CEERTS project will move forward in the process.

2. For a project proposed to meet a public policy transmission need that requires a solution, as verified by the FRCC PC under section 7.3 of the RTPP, the FRCC PC will determine whether the proposed CEERTS project meets the public policy transmission needs identified. There is no cost-benefit analysis performed, except for the validation of the CEERTS project being the least-cost solution. The CEERTS project may be the only solution proposed, in which case it would be accepted in accordance with the project sponsorship model being used within the FRCC. However, in the event there are equally effective alternative CEERTS project
solutions that have been proposed to satisfy the public policy transmission needs, then the least-cost CEERTS project would be selected.

The total estimated cost of the CEERTS public policy project is determined by the methodology set forth in section 7.2.2.4 under Step 5C below.

Cost Benefit Analysis

C. CEERTS Project Cost-Benefit Analysis

An independent consultant will be retained to perform a cost-benefit analysis and will issue a written report of findings to the FRCC PC for Project Sponsor and stakeholder review, as set forth in Step 5D. The independent consultant will determine if the benefit-to-cost ratio, which is the sum of the “Total Estimated Avoided Project Cost Benefit,” “Total Estimated Alternative Projects Cost Benefit” and “Total Estimated Transmission Line Loss Value Benefit” divided by the “Estimated CEERTS Project Cost,” is greater than 1.0.

Such analysis will consider estimated costs and benefits for the 10-year period of the planning horizon that is used to prepare the Regional Plan under development at the time the analysis is prepared plus an additional, sequential 10-year period (the “20-year period”). Levelized annual costs and benefits to determine the appropriate revenue requirements will be used and deemed appropriate.

7.2.2.1 Total Estimated Avoided Project Cost Benefit

The Estimated Avoided Project Cost Benefit for each Enrolled Transmission Provider in the FRCC that has one or more projects being displaced by a CEERTS project will be determined by the independent consultant in the below manner. A CEERTS project that was previously selected and included in the most recent Board-approved transmission plan may be displaced by a newly-proposed CEERTS project. If a newly-proposed CEERTS project would displace a previously-approved CEERTS project, the portion of the costs of the newly-proposed CEERTS project associated with the benefits calculated using the costs of the displaced previously-approved CEERTS project would be allocated to the Enrolled Transmission Providers that were allocated the costs for the previously-approved CEERTS project (see Attachment D, Example 4 for a hypothetical example of this cost allocation process).

Each Enrolled Transmission Provider that has one or more projects being displaced is considered a beneficiary of the proposed transmission facility(ies) and will develop an original installed capital cost estimate for each project being displaced and indicate in what year each such project would be projected to be in service.

The independent consultant will review each Enrolled Transmission Provider’s cost estimate and may determine to use it for further calculations, or may determine that the estimate is unreasonable and issue a revised cost estimate. If the original cost estimate is not used, justification for its rejection will be described in the independent consultant’s report.

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The independent consultant will calculate a comprehensive annual transmission revenue requirement associated with the original or revised cost estimate, depending on which will be used for further calculations, for each year that the displaced project would have been expected to be in service during the 20-year period, but for the CEERTS project. In calculating such an estimated revenue requirement, the independent consultant will take into account relevant factors and assumptions such as: the Enrolled Transmission Provider’s current FERC-approved rate of return on equity (if any); commitments regarding incentive rates; weighted average cost of capital; and ongoing capital and operating expenses. The independent consultant will describe any relevant factors and assumptions used in the report.

The net present value of the estimated annual revenue requirements for each project will be determined using the average discount rate of Enrolled Transmission Providers weighted by their total capitalization (“Enrolled TP Discount Rate”). Each Enrolled Transmission Provider will provide its discount rate and total capitalization to the independent consultant for purposes of this calculation. Such net present value will be the “TP Estimated Avoided Project Cost Benefit” for each Enrolled Transmission Provider’s displaced project(s).

All such TP Estimated Avoided Project Cost Benefits will be summed to determine the Total Estimated Avoided Project Cost Benefit.

7.2.2.2 Total Estimated Alternative Projects Cost Benefit

The Estimated Alternative Project Cost Benefit for each Enrolled Transmission Provider in the FRCC that has one or more alternative projects for which a CEERTS project addresses a need for which there are no transmission projects currently planned will be determined by the independent consultant in the below manner. These projects will include those alternative transmission projects to a CEERTS project that were identified under Alternative Projects in 7.2.1.

Each Enrolled Transmission Provider that has one or more alternative projects is considered a beneficiary of the proposed transmission facility(ies) and will develop an original installed capital cost estimate for each alternative project and indicate in what year each such project would be needed to be in service.

The independent consultant will review each Enrolled Transmission Provider's cost estimate and may determine to use it for further calculations, or may determine that the estimate is unreasonable and issue a revised cost estimate. If the original cost estimate is not used, justification for its rejection will be described in the independent consultant's report.

The independent consultant will calculate a comprehensive annual transmission revenue requirement associated with the original or revised cost estimate, depending on which will be used for further calculations, for each year that the alternative project would have been expected to be in service during the 20-year period, but for the CEERTS project. In calculating such an estimated revenue requirement, the
independent consultant will take into account relevant factors and assumptions such as: the Enrolled Transmission Provider's current FERC-approved rate of return on equity (if any); commitments regarding incentive rates; weighted average cost of capital; and on-going capital and operating expenses. The independent consultant will describe any relevant factors and assumptions used in the report.

The net present value of the estimated annual revenue requirements for each project will be determined using the average discount rate of Enrolled Transmission Providers weighted by their total capitalization (“Enrolled TP Discount Rate”). Each Enrolled Transmission Provider will provide its discount rate and total capitalization to the independent consultant for purposes of this calculation. Such net present value will be the "TP Estimated Alternative Project Cost Benefit" for each Enrolled Transmission Provider's displaced project(s).

All such TP Estimated Alternative Project Cost Benefits will be summed to determine the Total Estimated Alternative Project Cost Benefit.

7.2.2.3 Total Estimated Transmission Line Loss Value Benefit

The Total Estimated Transmission Line Loss Value Benefit is calculated for each Enrolled Transmission Provider by the independent consultant as follows:

The change in transmission losses caused by the CEERTS project will be determined by the FRCC PC.

The FRCC PC will direct the RPS to run simulations of the approved Regional Plan with all projects, adjusted (if necessary) to include the alternative transmission projects that were identified that would have been needed to satisfy a transmission need for which no transmission projects are in the current transmission plan (see Alternative Projects in 7.2.1), to establish base transmission losses for each Enrolled Transmission Provider represented in the plan over the planning horizon. Base case losses will be determined for the years during which the CEERTS project is expected to be in service during the planning horizon, under both peak and off-peak conditions.

The approved transmission plan will then be modified to (1) include a proposed CEERTS project; (2) remove all alternative transmission projects; and (3) adjust or remove any affected or avoided transmission projects in the approved transmission plan as well as add any additional projects that would be required (see BTPP Step 3, Section A.4.a), after verifying that all reliability requirements are met, with the appropriate in-service dates. The modified plan is then analyzed for losses. The CEERTS case losses are determined for each Enrolled Transmission Provider represented in the plan for the years during which the CEERTS project is expected to be in service during the planning horizon, at both peak and off-peak conditions. Enrolled Transmission Providers with reduced losses are beneficiaries of the CEERTS project.

The change in losses for year 10 of the planning horizon will be held constant for years 11-20 of the 20-year period. The change in losses (whether negative or positive)
in each year that the CEERTS project is in service for the 20-year period is determined for each Enrolled Transmission Provider.

The value of the change in losses for each Enrolled Transmission Provider will be determined by the independent consultant as follows:

- The independent consultant will use fuel cost and heat rate data from the U.S. Energy Information Administration (“EIA”) to value losses.
- The net present value of the value of losses will be determined for each Enrolled Transmission Provider using the Enrolled TP Discount Rate.
- Such net present value will be the “TP Estimated Transmission Line Loss Value Benefit.”

The TP Estimated Transmission Line Loss Value Benefit for each Enrolled Transmission Provider will be summed to determine the Total Estimated Transmission Line Loss Value Benefit.

7.2.2.4 Estimated CEERTS Project Cost

The Estimated CEERTS Project Cost is determined using the following formula:

Estimated CEERTS Project Cost = (a) Estimated Developer Cost + (b) Total Estimated Related Local Project Costs + (c) Total Estimated Displacement Costs

(a) The Estimated Developer Cost will be determined by the independent consultant as follows:

The developer of a CEERTS project will provide an original installed capital cost estimate for the developer’s project and indicate which year the project is expected to be in service.

The independent consultant will review the developer’s original cost estimate and may determine to use it for further calculations, or may determine that the estimate is unreasonable and issue a revised cost estimate. If the original cost estimate is not used, justification for its rejection will be described in the independent consultant’s report.

The independent consultant will calculate a comprehensive annual transmission revenue requirement associated with the original or revised cost estimate for the developer’s project, depending on which will be used for further calculations, for the years during which the CEERTS project is expected to be in service during the 20-year period. In calculating such an estimated revenue requirement, the independent consultant will take into account relevant factors and assumptions such as: the rates of return on equity approved by FERC for the developer or its affiliates (if any); commitments regarding incentive rates; proposed weighted average cost of capital; and on-going capital and operating expenses. The independent consultant will describe any relevant factors and assumptions used in the report.
The net present value of the estimated annual revenue requirements will be determined using the Enrolled TP Discount Rate. The net present value of these estimated annual revenue requirements shall be the Estimated Developer Cost.

(b) The Total Estimated Related Local Project Cost will be determined as follows by the independent consultant:

Each Enrolled Transmission Provider that will need to construct a local project to implement the CEERTS project will develop an original installed capital cost estimate for each such related local project and indicate what year such project is projected to be in service.

The independent consultant will review the Enrolled Transmission Provider’s cost estimate and may determine to use it for further calculations, or may determine that the estimate is unreasonable and issue a revised cost estimate. If the original cost estimate is not used, justification for its rejection will be described in the independent consultant’s report.

The independent consultant will calculate a comprehensive annual transmission revenue requirement associated with the original or revised cost estimate for each year that the local project is expected to be in service during the 20-year period. In calculating such an estimated revenue requirement, the independent consultant will take into account relevant factors and assumptions such as: the Enrolled Transmission Provider’s current FERC-approved rate of return on equity (if any); commitments regarding incentive rates; weighted average cost of capital; and ongoing capital and operating expenses. The independent consultant will describe any relevant factors and assumptions used in the report.

The net present value of the estimated annual revenue requirement for each local project will be determined using the Enrolled TP Discount Rate. Such net present value will be the TP Estimated Related Local Project Cost.

All TP Estimated Related Local Project Costs will be summed to determine the Total Estimated Related Local Project Cost.

(c) The calculation of Total Estimated Displacement Cost will be performed by the independent consultant as follows:

Any Enrolled Transmission Provider that has incurred, or expects to incur, costs associated with a project that is being displaced by a CEERTS project will provide an accounting to the independent consultant as to the level of its actual and expected expenditure on any displaced projects and any planned mitigation of such expenditures. The independent consultant will review the displacement cost estimate. The independent consultant will estimate the level of displacement costs that the Enrolled Transmission Provider that has expended funds on a displaced project will recover by assuming that the Enrolled Transmission Provider will be permitted to recover 100% of such displacement costs. The independent consultant will calculate an annual transmission revenue requirement associated

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with the displacement cost estimate for each year so that the displacement costs would be recovered during the 20-year period. In calculating such an estimated revenue requirement, the independent consultant will take into account relevant factors and assumptions and will describe such relevant factors and assumptions used in the report. The net present value of the estimated annual revenue requirements shall be calculated using the Enrolled TP Discount Rate. Such net present value will be the Estimated Displacement Cost.

All such Estimated Displacement Costs will be summed to determine the Total Estimated Displacement Cost.

D. The FRCC PC will provide the CEERTS Project Sponsors and stakeholders an opportunity to review and provide input on a report that includes its findings from the cost-benefit analysis performed that determined how benefits and beneficiaries were identified and applied to a proposed CEERTS project. The report will then be provided to the Board with the FRCC PC’s recommendation based upon its review as set forth above. For any CEERTS public policy project(s), this report will include an explanation of why the CEERTS project(s) does or does not provide an opportunity to satisfy the public policy need. The CEERTS public policy analysis is more completely described in section 7.3 below. The CEERTS Project Sponsor and stakeholders shall be given an opportunity to provide written comments on the report to the Board. The CEERTS Project Sponsor shall be invited to be present and participate in any Board meeting that addresses the FRCC PC report to answer questions and to present its views regarding the CEERTS project and the FRCC PC report.

E. The Board will review the FRCC PC report and any comments on the report that may be provided by the CEERTS Project Sponsor and stakeholders and determine if the proposed CEERTS project is a more cost effective or efficient solution to regional transmission needs under applicable criteria in Step 5 and in section 7.3 Public Policy Planning, as applicable.

F. If a CEERTS project is selected, the FRCC will perform analyses to determine whether the CEERTS project could potentially result in reliability impacts to the transmission system(s) in another transmission planning region. If a potential reliability impact is identified, the FRCC will coordinate with the public utility transmission providers in the other transmission planning region on any further evaluation. The evaluation may identify required upgrades in the other transmission planning region.\(^5\)

\(^5\) Neighboring Transmission Planning Region Potential Cost Impacts Not Included in FRCC’s CEERTS Cost: The costs associated with any required upgrades identified through the FRCC’s CEERTS project evaluation process identified in Step 5F for the neighboring transmission planning region will not be included in the CEERTS cost within the FRCC. However, nothing in this RTPP prevents the beneficiaries or Project Sponsor of a CEERTS project that causes the need for upgrades in another region from voluntarily negotiating a resolution of the project impacts with the transmission owner(s) in the other region.

Classification: Public
Step 6

With Board approval, Transmission Project Developer Selection process is initiated. CEERTS project selection finalized and included in FRCC Regional Plan

Over a period of two-to-three months following a decision that a CEERTS project should move forward under Step 5 of the BTPP, the following “Transmission Project Developer and Project Selection Process” will occur:

A. If the CEERTS project requires upgrades\(^6\) to an Enrolled Transmission Provider’s existing facilities, that Enrolled Transmission Provider retains a right of first refusal to build those portions of the CEERTS project.

B. If a single Project Sponsor is also the developer identified for a given CEERTS project, then that Project Sponsor/developer is accepted by default as the project developer eligible to use the regional cost allocation for that CEERTS project (subject to the qualifications review below). If there are different proposed CEERTS projects to address the same transmission need(s), then the CEERTS project will be selected based on the highest benefit-to-cost ratio as determined in Step 5C, and once a Project Sponsor’s/developer’s proposed CEERTS project is selected in the regional transmission plan, that Project Sponsor/developer will also be selected as the project developer eligible to use the regional cost allocation for that CEERTS project. CEERTS projects proposed by a single qualified project developer and selected by the FRCC Board will not be assigned to a different project developer.

C. If there are multiple project developers for the same CEERTS project, then the FRCC Board will, upon request, facilitate an opportunity for the Project Sponsors/developers to collaborate with each other to determine how each of the project developers may share responsibility for portions of the CEERTS project(s). If agreement is reached, then these Project Sponsors/developers will be selected (subject to the qualifications review in Attachment B). If there is no agreement, then the project developer for the CEERTS project will be selected based on the highest benefit-to-cost ratio as determined in Step 5C.

Approval and Certification after Conclusion of the Project Developer Determination and Qualifications Review

At the next Board meeting after successful completion of the items in the steps 1 through 6C above and the Project Developer Determination and Qualification Review (Attachment B), the Board will notify the project developer to proceed with the project as it has been approved for inclusion in the regional transmission plan. It is at this point that any transmission projects currently in the regional transmission plan that are being avoided due to the new CEERTS project will be removed from the regional transmission

\(^6\) As used in this section the term “upgrade” means an improvement to, addition to, or replacement of a part of an existing transmission facility; the term does not refer to an entirely new transmission facility. Nothing herein affects an Enrolled Transmission Provider’s rights under state law with regard to its real property (including rights-of-way and easements).

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plan and associated regional models. The project developer(s) shall then proceed with obtaining the necessary approvals and/or permits required to construct, own and operate the project including certification under the Florida Transmission Line Siting Act.

Process Summary

As identified in this BTPP process, proposed new CEERTS projects are to be submitted by June 1st of the first year of each biennial regional projects planning cycle. The technical evaluation of a new CEERTS project will occur within approximately 12 months concurrent with the evaluation of the initial FRCC regional transmission plan, and final approval will be achieved within 19 months. This time period may be shorter for some CEERTS projects, such as where the project is relatively small in scale. Following the evaluation steps identified in this BTPP process for a newly proposed CEERTS project, a Project Sponsor can expect the project to be analyzed with the regional transmission plan in the summer or fall of the following year. For the project to remain in the regional transmission plan, the remainder of the process must be completed. For example, a new CEERTS project that was proposed by June 1st in the biennial year 1 would proceed through Step 3 in the fall of biennial year 1 through the winter of biennial year 2. In the following spring and summer of biennial year 2, the project would progress through the items in Step 5 and be added to the regional transmission plan. Successful completion of the items in Step 5 would qualify the project for final approval in December of biennial year 2, roughly 19 months after it was initially proposed. This overall schedule provides a roadmap of the projected schedule for new CEERTS’ project evaluation, selection, approval and ultimate reflection in the regional transmission plan within the mandatory two-year (biennial) planning cycle. A particular CEERTS project submittal may benefit from schedule flexibility or shortening of process steps depending on the project's nature or complexity, availability of qualified project developer(s), or other factors. In all cases, once a CEERTS project is submitted, the FRCC will keep all parties informed of the projected schedule for project evaluation. This CEERTS project evaluation process will fold into the overall regional transmission planning cycle, which will continue to be an annual process, that is, a regional transmission plan will continue to be developed each year. The inclusion of the CEERTS projects into the annual regional transmission plan will be in accordance with the process outlined above.

After a CEERTS project is approved for the regional transmission plan, the project developer shall submit to the FRCC PC a development schedule that sets forth the required steps necessary to develop and construct the project and the schedule that the developer will follow to satisfy each required step. Required steps include, but are not limited to, obtaining all regulatory approvals necessary to develop and construct the facility.

Status updates of a CEERTS project are required to the FRCC PC at any time when material changes to the project or schedule take place, or at least annually, and must include any revised cost estimate. If the cost estimate for a CEERTS project is substantially more than the cost estimate upon which the project was approved, the FRCC PC and Board may re-examine the cost effectiveness of the project.
If a CEERTS reliability-based project is abandoned by the developer, the transmission provider(s) has a right of first refusal to complete the project to the extent it is located in the transmission provider's service territory. However, if the transmission provider decides not to complete the abandoned reliability-based CEERTS project and decides instead to propose an alternative CEERTS project, then other potential developers will be given an opportunity to propose an alternative CEERTS project to ensure that the reliability need is met. Developer evaluation and selection shall follow the steps above for a CEERTS project when first proposed. If a non-reliability-based CEERTS project is abandoned by the developer, other potential developers may offer to complete the project. Developer evaluation and selection shall follow the steps above for a CEERTS project when first proposed.

If a delay in the completion of a CEERTS reliability-based project potentially would cause a transmission provider or other NERC-registered entity to violate a Reliability Standard, the NERC-registered entity shall inform the FRCC PC as soon as it is aware of the possibility. The FRCC PC will re-evaluate the regional transmission plan to determine if the delay in the CEERTS project requires the evaluation of alternative solutions to ensure the relevant transmission provider or other NERC-registered entity can continue to meet its reliability and/or other service obligations. If the FRCC PC determines that the delay in the CEERTS project would adversely affect reliability (e.g., would cause a violation of one or more NERC reliability standards), the FRCC PC will initiate a process to evaluate solutions to address the reliability concerns. The transmission providers whose system(s) are affected by these reliability concerns will be given an opportunity to propose solutions that they would implement within their service territories or footprints to address these reliability concerns and their proposals can be evaluated as possible CEERTS projects if such transmission providers agree. The FRCC PC will fully evaluate the original CEERTS project delay along with any proposals for alternate solutions and will make a determination on how to proceed in a timely manner to ensure that the FRCC Regional Plan supports the adequate planning for a reliable transmission system for the FRCC region. Where possible, the review of a CEERTS project delay will be included within the BTPP cycle. However, if the FRCC PC determines that a CEERTS project delay needs to be evaluated outside of the BTPP cycle, the FRCC PC will notify the members and establish a schedule for the evaluation process. The FRCC PC will follow similar steps as described above to develop a report of the results of their evaluation and provide their findings to the Board for ultimate resolution.

The FRCC PC, under the oversight of the Board, will verify that all required reliability, operational, and property rights provisions listed below are in place, or reasonably planned for, after a CEERTS project is included in the Regional Plan. The Board will monitor such elements and progress toward such elements in determining whether a CEERTS project has been delayed or abandoned, including:

- All certification and other requirements under the NERC Standards and Rules of Procedure;
- Implementation of communications and operational control features (e.g., requirements to follow instructions of the Reliability Coordinator, Balancing Authority and/or Transmission Service Provider);
- Responsibility for operation and maintenance (“O&M”), including any plans to turn over O&M responsibilities to another entity; and
- Acquisition of the property rights necessary to construct the CEERTS facilities, or a reasonable expectation of the ability to acquire such rights.

Classification: Public
7.3 Public Policy Planning

To be considered in transmission planning, a public policy requirement must be reflected in state, federal, or local law or regulation (including an order of a state, federal, or local agency). If a stakeholder identifies a transmission need that is driven by a public policy requirement, it must submit a written description of the need to the FRCC PC, prior to January 1st of the first year of the BTPP cycle for consideration in regional planning during that planning cycle. To the extent the information is available to the stakeholder, the description of the need should:

- identify the state, federal, or local law or regulation that contains the public policy requirement;
- identify the type of entity(ies) in the region to which the public policy requirement applies;
- identify the subset of entities in the region subject to the public policy requirement that have a transmission need driven by the public policy requirement;
- describe the type and nature of the transmission service, including the number of megawatts, needed from the Enrolled Transmission Providers by such subset of entities, to meet that transmission need.

Any stakeholder submitting a potential public policy transmission need to the FRCC PC may, but is not required to, also propose a transmission project(s) to meet such a need along with its description of the need. All submissions will be posted on the FRCC website for public comment and will be reviewed to determine if a public policy requirement is driving a transmission need for which a solution is required. The FRCC PC, under the oversight of the Board, may seek, on a voluntary basis, additional information from entities identified as having potential needs and then will evaluate the submittals and any additional information to make a decision as to whether a public policy requirement is driving a transmission need for which a solution is required and will post its determination on the FRCC website prior to March 1st of the first year of the BTPP cycle, along with an explanation and record of that determination (including a negative determination). If a public policy transmission need is identified for which a transmission solution is required, CEERTS and local projects shall be proposed as part of the BTPP to address such a need.

8.0 Interregional Transmission Coordination Procedures

The FRCC through this RTPP, coordinates with the public utility transmission providers in the Southeastern Regional Transmission Planning process region ("SERTP") to address transmission planning coordination issues related to interregional transmission facilities. These Interregional Transmission Coordination Procedures ("ITCP") include a detailed description of the process for coordination between the FRCC and the SERTP (on behalf of the public utility transmission providers); (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 regions’ respective regional transmission plans. The ITCP are provided in this RTPP with additional materials provided on the regional planning websites.
The following requirements are included in the ITCP:

(1) A commitment to coordinate and share the results of the FRCC and SERTP 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 providers in the FRCC have worked with transmission providers located in the SERTP 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 as approved by the FERC and is included in this RTPP.

**Interregional Transmission Planning Principles**

Representatives of the FRCC and the SERTP will meet no less than once per year to facilitate the ITCP described below (as applicable). Representatives of the FRCC and the SERTP may meet more frequently during the evaluation of project(s) proposed for purposes of interregional cost allocation between the FRCC and the SERTP.

### 8.1 Coordination

**8.1.1 Review of Respective Regional Plans:** Biennially, the FRCC and the SERTP shall review each other’s current regional plan(s) and engage in the data exchange and joint evaluation described in Sections 8.2 and 8.3.

**8.1.2 Review of Proposed Interregional Projects:** The FRCC and SERTP will coordinate with regard to the evaluation of interregional transmission projects identified by the FRCC and SERTP as well as interregional transmission projects proposed for Interregional Cost Allocation Purposes ("Interregional CAP"), pursuant to Sections 8.3 and 8.4, below. Initial coordination activities regarding new interregional proposals will typically begin during the third calendar quarter. The FRCC and the SERTP will typically exchange status updates for new interregional transmission project proposals or proposals currently under consideration every six (6) months, or 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 8.4.2); (iii) the anticipated timeline for future assessments; and (iv) re-evaluations related to the proposal.
8.1.3 Coordination of Assumptions Used in Joint Evaluation: The FRCC and SERTP will coordinate assumptions used in joint evaluations, as necessary, which includes items such as:
  - Expected timelines/milestones associated with the joint evaluation;
  - Study assumptions; and
  - Regional benefit calculations.

8.2 Data Exchange

8.2.1 At least annually, the FRCC and the SERTP shall exchange power-flow models and associated data used in the regional transmission planning processes to develop their respective then-current regional transmission plan(s). This exchange will typically occur by the beginning of each region's transmission planning cycle. Additional transmission-based models and data may be exchanged between the FRCC and SERTP as necessary and if requested. For purposes of the interregional coordination activities outlined in this RTPP, only data and models used in the development of the FRCC's and SERTP's 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' website, consistent with the posting requirements of the respective regional transmission planning processes, and is considered CEII. The FRCC shall notify the SERTP of such posting.

8.2.2 The FRCC regional transmission plans will be posted on the FRCC website pursuant to the FRCC's RTPP. The FRCC will also notify the SERTP of such posting so the public utility transmission providers in the SERTP may retrieve these transmission plans. The SERTP will exchange their then-current SERTP regional plan(s) in a similar manner to the FRCC according to their regional transmission planning process.

8.3 Joint Evaluation

8.3.1 Identification of Interregional Projects: After the FRCC and SERTP have exchanged planning models and data and current regional transmission plans as described in Section 8.2, the FRCC and, the SERTP will review one another's then-current regional plan(s) in accordance with the coordination procedures described in Section 1 and their respective regional transmission planning processes. If through this review, the FRCC or SERTP identify a potential interregional project that could be more efficient or cost effective than projects included in the respective regional plans, the FRCC and SERTP will jointly evaluate the potential project pursuant to Section 8.3.4.

8.3.2 Identification of Interregional Projects by Stakeholders: Stakeholders may also propose projects that may be more efficient or cost-effective than projects included in the FRCC's and the SERTP's regional transmission plans pursuant to the procedures in each region's regional transmission planning processes. The FRCC and the SERTP will evaluate interregional projects proposed by stakeholders pursuant to Section 8.3.4.

8.3.3 Identification of Interregional Projects by Developers: Interregional transmission projects proposed for potential Interregional CAP must be submitted in both the SERTP
and FRCC regional transmission planning processes. The project submittal must satisfy the requirements of Section 8.4.1. The submittal must identify the potential transmission project as interregional in scope and identify the FRCC and SERTP as regions in which the project is proposed to interconnect. The FRCC will verify whether the submittal for the potential interregional transmission project satisfies all applicable requirements. Upon finding that the proposed interregional transmission project satisfies all such applicable requirements, the FRCC will notify the public utility transmission providers in the SERTP. Once the potential project has been proposed through the regional transmission planning processes in both regions, and upon both regions so notifying one another that the project is eligible for consideration pursuant to their respective regional transmission planning processes, the FRCC and SERTP will jointly evaluate the proposed interregional projects pursuant to Sections 8.3 and 8.4.

8.3.4 Evaluation of Interregional Projects: The FRCC and the SERTP 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 projects included in their respective then-current regional transmission plans. Such analysis shall be consistent with accepted planning practices of the respective regions and the transmission study methodologies utilized to produce each region's respective regional transmission plan(s). The FRCC will evaluate potential interregional transmission projects consistent with the BTPP. To the extent possible and as needed, assumptions and models will be coordinated between the FRCC and SERTP as described in Section 8.1. Data exchange to facilitate this evaluation shall use the procedures described in Section 8.2.

8.3.5 Initial Evaluation of Interregional Projects Proposed for Interregional Cost Allocation Purposes: If an interregional project is proposed in the FRCC and the SERTP for Interregional CAP, the initial evaluation of the project will typically begin during the third calendar quarter, with analysis conducted in the same manner as analysis of interregional projects identified pursuant to Sections 8.3.1 and 8.3.2. Projects proposed for Interregional CAP shall also be subject to the requirements of Section 8.4.

8.4 Cost Allocation

If an interregional project is proposed for Interregional CAP in the FRCC and the SERTP, then the following methodology applies:

8.4.1 Interregional Projects Proposed for Interregional Cost Allocation Purposes: For a transmission project to be considered for Interregional CAP within the FRCC and the SERTP, the following criteria must be met:

A. The transmission project must be interregional in nature;
   o Be located in both the FRCC and the SERTP regions;
   o Interconnect to transmission facilities in both the FRCC and SERTP regions.

The facilities to which the project is proposed to interconnect may be either existing transmission facilities or transmission projects included in the regional

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transmission plan(s) that are currently under development; and
  - Meet the threshold criteria for transmission projects potentially eligible to be included in the regional transmission plans for purposes of cost allocation in both the FRCC and the SERTP, pursuant to their respective regional transmission planning processes.

B. On a case-by-case basis, the FRCC and the SERTP will consider a transmission project that does not satisfy all of the criteria specified in Section 8.4.1.A but: (i) meets the threshold criteria for a project proposed to be included in the regional transmission plan for purposes of cost allocation in at least one of the two regions; (ii) would be located in both regions; and (iii) would be interconnected to transmission facilities in both the FRCC and SERTP regions. The facilities to which the project is proposed to interconnect may be either existing transmission facilities or transmission projects included in the regional transmission plan that are currently under development.

C. The transmission project must be proposed for purposes of cost allocation in both the FRCC and the SERTP.
  - Except for the case-by-case exception for project threshold criteria identified in Section 8.4.1.B, the transmission developer and project submittal must satisfy all criteria specified in the respective regional transmission processes.

8.4.2 Evaluation of Interregional Projects Proposed for Interregional Cost Allocation Purposes: Interregional projects proposed for Interregional CAP in the FRCC and the SERTP shall be evaluated within the respective regions 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 project(s) being displaced by the proposal.
  - For purposes of this ITCP, "Regional Benefit" means the total avoided costs of projects included in the then-current regional transmission plans 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.

8.4.3 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 or cost effective than those projects included in its current regional transmission plan. Each region shall utilize the cost calculation(s) as defined in such region's regional transmission planning process (e.g., the FRCC will compute the cost of the portion of the transmission plan(s) that are currently under development; and
interregional project that resides within the FRCC region in accordance with their regional process and the SERTP will do the same). The regions shall also coordinate such cost calculation assumptions in accordance with Section 8.1.3. 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 FRCC and the SERTP. The Regional Benefits shall be determined pursuant to the methodology described in Section 8.4.2. Regional BTC assessments shall be performed in accordance with each region's regional transmission planning process, including but not limited to subsequent calculations and reevaluations.

8.4.4 **Inclusion in Regional Transmission Plans:** An interregional project proposed for Interregional CAP in the FRCC and the SERTP will be included in the respective regional transmission 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;
   o This includes any regional BTC ratio calculations performed pursuant to Section 8.4.3; 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.

8.4.5 **Allocation of Costs Between the FRCC and the SERTP:** The cost of an interregional project, selected for purposes of cost allocation in the regional transmission plans of both the FRCC and the SERTP, will be allocated as follows:

A. Each region will be allocated a portion of the interregional project's costs in proportion to such region's Regional Benefit to the sum of the Regional Benefits identified for both the FRCC and the SERTP.
   o The Regional Benefits used for this determination shall be based upon the last Regional Benefit calculation performed – pursuant to the method described in Section 8.4.2. – 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.

C. Should one region be willing to bear more costs of the interregional transmission project than those costs identified pursuant to the methodology described in Section 8.4.5.A, the regions may voluntarily agree, subject to each regions and the affected transmission providers’ approvals, to an alternative cost-sharing arrangement.

8.4.6 **Removal from Regional Plans:** An interregional project may be removed from the FRCC's or the SERTP's regional transmission plan for purposes of cost allocation: (i) if the

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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 FRCC shall notify the public utility transmission providers in the SERTP if an interregional project or a portion thereof is likely to be removed from its regional transmission plan.

8.5 Openness and Transparency

The FRCC shall follow the principles enumerated in Section 6.0 of this RTPP. In addition, the FRCC shall perform the following additional tasks for interregional planning:

A. Access to the interregional planning data utilized will be made available through the FRCC website subject to the Standards of Conduct Protocols. The FRCC shall make available on the FRCC website links to where SERTP and its stakeholders can register and obtain necessary agreements for access to FRCC data and documents.

B. The FRCC will provide status updates of the interregional transmission planning activities during their regional transmission planning meetings, FRCC Board and at the FRCC PC meetings. The status updates of interregional activities will include at a minimum:
   - Facilities to be evaluated;
   - Analysis performed; and
   - Determinations/results.

C. FRCC members and stakeholders will have an opportunity to participate and provide input and feedback in either or both of the respective regional transmission planning processes and coordination related to interregional facilities identified, analysis performed, and any determinations/results.

D. The FRCC will post, on the FRCC website, a list of all interregional transmission projects that are proposed for potential selection in a regional transmission plan for purposes of cost allocation in both the FRCC and the SERTP that are found not to be eligible for consideration because they do not satisfy the regional project threshold criteria of one or both of the regions. The FRCC will also post an explanation of the relevant thresholds the proposed interregional project(s) failed to satisfy.

9.0 References

9.1 FRCC Third-Party Impact and Regional Reliability Evaluation Process

9.2 FERC Standards of Conduct Protocols for the FRCC

9.3 Rules of Procedure for FRCC Standing Committees

Classification: Public
9.4 *Request for FRCC Transmission Information*

9.5 *FRCC Load Flow & Short Circuit Data Bank Procedural Manual*

10.0 **List of Attachments**

Attachment A: Sharing of Certain Transmission Expansion Costs
Attachment B: Project Developer Qualification Criteria and Review
Attachment C: Map
Attachment D: Examples of CEERTS Cost Allocation Methodology

11.0 **Review and Modification History**

<table>
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<tr>
<th>Date</th>
<th>Version Number</th>
<th>Description of Review or Modification</th>
<th>Sections Affected</th>
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<tr>
<td>10/07/2014</td>
<td>1</td>
<td>New Document incorporating existing FRCC Regional Transmission Planning Process with FERC Order 1000</td>
<td>All</td>
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<tr>
<td>10/29/2014</td>
<td>1</td>
<td>FRCC Board of Directors Approval</td>
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<tr>
<td>1/23/2015</td>
<td>2</td>
<td>Revised due to OATT update</td>
<td>All</td>
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<tr>
<td>9/18/2015</td>
<td>3</td>
<td>Revised due to final FERC approval of OATT changes for both Regional Planning and Interregional Coordination. Also aligned RTPP with principles as outlined in the OATTs.</td>
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Attachment A: Sharing of Certain Transmission Expansion Costs

The cost allocation provisions contained in this Attachment A relate to cost allocation procedures for specific circumstances as described herein. This document sets forth (i) certain principles regarding the provision of financial funding to Transmission Owners that undertake remedial upgrades to, or expansions of, their systems resulting from upgrades, expansions, or provisions of services on the systems of other Transmission Owners (third-party impacts), (ii) the principles to allocate the cost of a CEERTS project to the entities that benefit from the project in proportion to the benefits received, and (iii) procedures for attempting to resolve disputes among Transmission Owners and other parties regarding the application of such principles. This document shall not apply to transmission upgrades or expansions if, and to the extent that, the costs thereof are subject to recovery by a Transmission Owner pursuant to either FERC Order 2003 or Order 2006.

Cost Allocation for Third-Party Impacts resulting from the FRCC RTPP

FRCC Principles

1. Except for a CEERTS project for which it is not the project developer, each Transmission Owner in the FRCC Region shall be responsible for upgrading or expanding its transmission system in accordance with the FRCC Regional Transmission Planning Process consistent with applicable NERC and FRCC Reliability Standards and shall participate, directly or indirectly (as the member of a participating Transmission Owner, e.g., Seminole and FMPA), in the FRCC Regional Transmission Planning Process in planning all upgrades and expansions to its system.

2. If, and to the extent that, the need for a 230 kV or above upgrade to, or expansion of, the transmission system of one Transmission Owner (the “Affected Transmission Owner”) is reasonably expected to result from upgrade(s) or expansion(s) to, or new provisions of service on, the system(s) of another Transmission Owner or Transmission Owners (hereinafter “Precipitating Events”), and if such need is reasonably expected to arise within the FRCC planning horizon, the Affected Transmission Owner shall be entitled to receive Financial Assistance (as defined herein) from each other such Transmission Owner and other parties, to the extent consistent with the other provisions hereof. Such upgrade or expansion to the Affected Transmission Owner’s system shall hereinafter be referred to as the “Remedial Upgrade.” Upgrade(s), expansion(s), or provisions of service on another Transmission Owner’s system that may result in the need for a Remedial Upgrade on the Affected Transmission Owner’s system for which Financial Assistance is to be provided hereunder include the following Precipitating Events:
   - A new generating unit(s) to serve incremental load
   - A new or increased long-term sale(s)/purchase(s) to or by others (different uses)
   - A new or modified long-term designation of Network Resource(s)
   - A new or increased long-term, firm reservation for point-to-point transmission service

Specific non-Precipitating Events are as follows: 1) Transmission requests that have already been confirmed prior to adoption of these principles; 2) Qualifying rollover agreements that are subsequently rolled over; 3) Redirected transmission service for sources to the extent the redirected service does not meet the threshold criteria described in Principle 5.a. shown below. Existing flows

Classification: Public
would not be considered “incremental.”; and 4) Repowered generation if the MW output of the facility is not increased, regardless of whether the repowered unit is used more/less hours of the year.

3. Except for a CEERTS project for which it is not the project developer and except to the extent that an Affected Transmission Owner is entitled to Financial Assistance from other parties as provided herein, each Transmission Owner shall be responsible for all costs of upgrades to, and expansions of, its transmission system; provided, however, that nothing herein is intended to affect the right of any Transmission Owner or another party from obtaining remuneration from other parties to the extent allowed by contract or otherwise pursuant to applicable law or regulation (including, for example, through rates to a Transmission Owner’s customers).

4. Except for a CEERTS project for which it is not the project developer, each Transmission Owner shall be solely responsible for the execution, or acquisition, of all engineering, permitting, rights-of-way, materials, and equipment, and for the construction of facilities comprising upgrades or expansions, including Remedial Upgrades, of its transmission system; provided, however, that nothing herein is intended to preclude a Transmission Owner from seeking to require another party to undertake some or all of such responsibilities to the extent allowed by contract or otherwise pursuant to applicable law.

5. Threshold Criteria: The following criteria (“Threshold Criteria”) must be satisfied in order for an Affected Transmission Owner to be entitled to receive Financial Assistance from another party or parties in connection with a Remedial Upgrade:

a. The need for the Remedial Upgrade must result, or have resulted, from a Precipitating Event that causes a change in power flow of at least a 5% or 25 MW, whichever is greater, on a facility of the Affected Transmission Owner that, but for the Remedial Upgrade, is reasonably expected to result in a violation of applicable NERC and FRCC Reliability Standards, as determined through the FRCC RTPP.

b. All new or upgraded transmission facilities comprising the Remedial Upgrade must have an operating voltage of 230 kV or higher voltage.

c. The Upgrade Costs of the Remedial Upgrade must exceed $3.5 million. As used herein, the “Upgrade Costs” means the construction costs of the Remedial Upgrade (determined in accordance with FERC’s Uniform System of Accounts) plus the identifiable Pre-Construction Costs thereof. As used herein, “Pre-Construction Costs” are costs that are expended in preparation for the construction of a transmission project, incurred up to and including the date the utility completes site-clearing work. Pre-Construction Costs include, but are not limited to: any and all costs associated with preparing, reviewing and defending an application under the Transmission Line Siting Act (TLSA); costs of site, technology and route selection and acquisition; costs of engineering, designing, and permitting; costs of clearing, grading, and excavation; and costs of development of any on-site construction facilities.

6. In order for a Transmission Owner to be entitled to receive Financial Assistance from another party or parties hereunder in connection with a particular Remedial Upgrade, that Transmission Owner must (i) participate, directly or indirectly, in the FRCC RTPP, and (ii) identify itself as an Affected Transmission Owner.
Transmission Owner and identify the subject Remedial Upgrade in a timely manner once it learns of the need for that Remedial Upgrade.

7. The following principles govern the nature and amount of Financial Assistance that an Affected Transmission Owner is entitled to receive from one or more other parties with respect to a Remedial Upgrade:

a. In the event that it is reasonably determined that the Remedial Upgrade eliminates or defers the need for another transmission upgrade or expansion, then, for purposes of paragraphs 7.b and 7.c below, the Upgrade Costs of the Remedial Upgrade shall be reduced by the reasonably determined net present value of such other upgrade or expansion that will be avoided as a result of the Remedial Upgrade (“Avoided Costs”) up to the amount of the net present value of the total cost of the Remedial Upgrade. If, in such event, the Transmission Owner(s) experiencing such Avoided Costs is/are not the Affected Transmission Owner, the Affected Transmission Owner shall be entitled to receive payment from such other Transmission Owner(s) equal to such net present value. The remaining Upgrade Costs of the Remedial Upgrade (i.e., the Upgrade Costs less, if applicable, the Avoided Costs of all Transmission Owners, including the Affected Transmission Owner, in the Transmission Zone; hereinafter the “Net Upgrade Costs”) would be allocated 50% to parties in the Transmission Zone in which the Remedial Upgrade occurred on a weighted basis based upon load\(^1\) (see item 7.b. below), and 50% based upon sources of power (see item 7.c. below).

b. The Affected Transmission Owner shall be entitled to receive from other Transmission Owners having load within the Transmission Zone in which the Remedial Upgrade is to be made a payment in an amount equal to (i) 50% of the Net Upgrade Costs of the Remedial Upgrade\(^2\) times (ii) each Transmission Owner’s Load Ratio within that Transmission Zone. Such Load Ratio shall be the ratio of the amount in MW of the load served by each Transmission Owner in the Transmission Zone to the sum in MW of all load in that same Transmission Zone.\(^3\) (For these purposes, network customer loads embedded within a transmission provider’s service area in the Transmission Zone would not be separately allocated any costs as such loads would be paying their load ratio share of the affected transmission provider’s costs).

Initially, there are six Transmission Zones in the FRCC region, as depicted in Attachment C. These Transmission Zones are subject to modification in the future in specific instances to the extent warranted by circumstances. A request by a party to modify one or more Transmission Zones should be substantiated on its merits (e.g., technical analysis, area of limited transmission capability).

The following principles will guide how the boundaries of Transmission Zones are determined:

- Electrically, a substantial amount of the generation within a Transmission Zone is used to serve load also within that Transmission Zone.
- Transmission facilities in a Transmission Zone are substantially electrically independent

\(^1\) 100% if transmission expansion not precipitated by a transmission request keyed to sources of power (i.e., generation).
\(^2\) See note 2 above regarding the applicable percentage.
\(^3\) Load refers to the projected average of individual system winter and summer peak loads for all years of the study horizon (e.g., the average of ten values for a five-year study period).

Classification: Public
of other Transmission Zones.

- Transmission Zones represent electrical demarcation areas in the FRCC transmission grid that can be supported from a technical perspective.
- Transmission Zones may be modified by providing a technical showing with the supporting rationale to the FRCC PC for its review and approval. An example of a potential need for a zone change may be that, in order to mitigate an overloaded facility, a transmission upgrade or expansion would extend beyond the pre-established zonal boundaries such that these boundaries would need to be revised to best address this situation.

c. If the Remedial Upgrade shall have been precipitated by one or more transmission service requests keyed to new sources of power (i.e., generation), then the party(ies) requesting such transmission service(s) shall be responsible for providing to the Affected Transmission Owner funding for 50% of the Net Upgrade Costs of the Remedial Upgrade in proportion to the respective Source Ratios. Each Source Ratio shall be a ratio of the amount in MW of the associated incremental resource’s flow impact affecting the limiting facility that caused the need for the Remedial Upgrade to the sum in MW of the total flow impact of all such new resources. The incremental resource’s flow impact shall be calculated with the new resource at full output, at peak load level, without contingencies, and averaged over the study period.

If studies determine that multiple transmission service requests keyed to new sources of power contribute to the need for a Remedial Upgrade by an Affected Transmission Owner, a coordinated study will be performed assessing all such sources of power in a cluster type approach. The transmission customers that confirm the associated transmission reservations for those new sources of power will share in the cost responsibility for these Remedial Upgrades.

Funding of Upgrade Costs provided by a party to an Affected Transmission Owner in accordance with this paragraph 7.c shall be subject to repayment, without interest, by the Affected Transmission Owner as follows: First, during the first ten years following the completion of the Remedial Upgrade, a funding party shall be entitled to receive credits from the Affected Transmission Owner against charges for transmission services provided by the Affected Transmission Owner to that party, up to the value of the funding party’s contribution. Such credits will apply to all charges throughout the ten-year period for any uses of transmission services by the funding party of the Affected Transmission Owner’s transmission system. Second, at the end of the ten-year period, the Affected Transmission Owner shall repay the funding party the balance (i.e., Upgrade Costs of such party less amounts for which credits shall have been provided), if any, of the amount provided by that party, without interest.

8. Implementation and Dispute Resolution Process:

a. As soon as practical after a Transmission Owner shall have identified itself as an Affected Transmission Owner because of the need for a Remedial Upgrade, that Transmission Owner and parties whose actions shall have contributed, or are reasonably expected to contribute, to the need for that Remedial Upgrade and which may be responsible for providing Financial Assistance in connection therewith shall enter into good faith negotiations to (i) confirm the need and cause for the Remedial Upgrade and their respective
responsibilities for providing Financial Assistance to the Affected Transmission Owner, and (ii) establish a fair and reasonable schedule and means by which such Financial Assistance is to be provided to the Affected Transmission Owner.

b. In the event the parties identified in the foregoing paragraph are unable to reach agreement on the determination or assignment of cost responsibility within a sixty-(60) day period, the dispute shall be resolved pursuant to the Dispute Resolution Procedures in the FRCC Bylaws.

c. Nothing in this document is intended to abrogate or mitigate any rights a party may have before any regulatory or other body having jurisdiction.

d. During those circumstances in which this section 8 pertaining to Dispute Resolution Process is being utilized due to parties being unable to reach agreement on the determination or assignment of cost responsibility associated with a Remedial Upgrade(s), the parties shall continue in parallel with the Dispute Resolution Process and the engineering, permitting and siting associated with the Remedial Upgrade(s). The fact that a matter is subject to Dispute Resolution hereunder shall not be a basis for any party being relieved of its obligations under this document.

Cost Allocation for CEERTS Projects

There are three potential sets of CEERTS’ project costs that will be allocated: developer costs, related local project costs, and displacement costs. The general principle is to allocate all of the prudently-incurred costs of a CEERTS project to the entities that benefit from the project in proportion to the benefits received, although a CEERTS project developer may accept a cost cap for the developer costs, in which case the developer’s costs up to the cost cap will be allocated. Cost allocations are determined in terms of percentages, with each beneficiary allocated a percentage of the CEERTS project costs. Entities that receive no benefit from a CEERTS project will not be allocated any project costs.

Project beneficiaries for a CEERTS project will be transmission providers within the FRCC region enrolled in the regional planning process (on behalf of their retail and wholesale customers) which will benefit from the project.

1. The cost allocation for CEERTS reliability/economic projects is based on the following formula using terms defined in Step 5 of the BTPP: 

\[
\frac{(TP \text{ Estimated Avoided Project Cost Benefit} + TP \text{ Estimated Alternative Project Cost Benefit} + TP \text{ Estimated Transmission Line Loss Value Benefit})}{(\text{Total Estimated Avoided Project Cost Benefit} + \text{Total Estimated Alternative Project Cost Benefit} + \text{Total Estimated Transmission Line Loss Value Benefit})} * \text{Estimated CEERTS Project Cost}.
\]

The cost allocation dollar amounts calculated here using estimated cost information will further be translated to a percentage for each beneficiary as a ratio of their allocated share of the total estimated cost of the CEERTS project. These percentages will be used to allocate actual CEERTS project costs that are recoverable. Examples of CEERTS project cost allocation are provided in Attachment D, Examples 1 and 2.

2. The costs for CEERTS public policy projects that are identified through the process described in the BTPP section of the RTPP, will be allocated to the Enrolled Transmission Providers whose transmission systems provide access to the public policy resources. The cost allocation for each
Enrolled Transmission Provider will be as follows:

- Individual Enrolled Transmission Provider MWs = number of megawatts of public policy resources enabled by the public policy project for the customers (including Native Load) within their transmission service territory.

- Total MWs = total number of megawatts of public policy resources enabled by the public policy project.

- Individual Enrolled Transmission Provider cost allocation percentage = (Individual Enrolled Transmission Provider MWs/Total MWs).

An example of the CEERTS public policy cost allocation is provided in Attachment D, Example 3. These percentages will be used to allocate actual CEERTS’ project costs that are recoverable.

The process to interconnect individual generation resources is provided for under the generator interconnection section of each utility’s OATT and not under this process.

Requests for transmission service that originate in a utility’s system and terminate at the border shall be handled through that utility’s OATT.

**Allocation of Transmission Rights:**

Enrolled Transmission Providers allocated costs of CEERTS projects shall have priority with regard to any transmission rights associated with such projects, in proportion to their respective share of such costs. Any use of the transmission rights allocated to a transmission provider, including use by the transmission provider itself, shall be governed by the transmission provider’s Tariff.
Attachment B: Project Developer Qualification Criteria and Review

Project Developer Qualification Criteria and Review

Developers seeking to be qualified to be a CEERTS project developer must submit information to demonstrate that they satisfy the qualification criteria so that the Board can review the qualifications and make a determination as to whether a prospective transmission developer satisfies the qualification criteria such that it may propose a transmission project for selection in the regional transmission plan for purposes of cost allocation.

Project Developer Qualification Criteria

1. Demonstration that the project developer is technically, and financially capable of (i) completing the CEERTS project in a timely and competent manner; and (ii) operating and maintaining the CEERTS facilities consistent with Good Utility Practice and applicable reliability criteria for the life of the project. To support this demonstration, the following information should be provided/shown:

A. Project developer’s current and expected capability to finance, or arrange financing for the transmission facilities:

1. Evidence of its demonstrated experience financing or arranging financing for transmission facilities, including a description of such projects (not to exceed ten) over the previous ten years, the capital costs and financing structure of such projects, a description of any financing obtained for these projects through any approved rates, the financing closing date of such project, and whether any of the projects are in default;
2. Its audited financial statements from the most recent three years and its most recent quarterly financial statement, or equivalent information;
3. Current credit ratings from Moody’s Investor Services and Standard & Poors, if available;
4. A summary of any history of bankruptcy, dissolution, merger, or acquisition of the project developer or any predecessors in interest for the current calendar year and the five calendar years immediately preceding its submission of information related to affiliated entities;
5. A summary of outstanding liens against the developer(s); and
6. Such other evidence that demonstrates its current and expected capability to finance a CEERTS project.

The project developer must identify the portions of this financial data that would need to be treated as confidential information in accordance with the FRCC confidentiality practices and subject to disclosure only to those that have signed a confidentiality agreement.

B. Total dollar amount of CEERTS’ estimated project(s) cost up to which the project developer wants to be deemed qualified.

C. A discussion of the project developer’s business practices that demonstrate that its business practices are consistent with Good Utility Practices for proper licensing, designing, right-of-way acquisition,
constructing, operating and maintaining transmission facilities that will become part of the regional transmission grid. The project developer shall also provide the following information for the current calendar year and the previous five calendar years:

1. A summary of any violations of law by the project developer found by federal or state courts, federal regulatory agencies, state public utility commissions, other regulatory agencies, or attorneys general; and

2. A summary of any instances in which the project developer is currently under investigation or is a defendant in a proceeding involving an attorney general or any state or federal regulatory agency, for violation of any laws, including regulatory requirements.

D. Technical and engineering qualifications and experience;

E. Past history of meeting transmission project schedules;

F. Past history regarding providing construction and maintenance of transmission facilities and/or contracting for the construction and maintenance of transmission facilities;

G. Capability to adhere to standardized construction, maintenance and operating practices;

H. Plans for compliance with all applicable reliability standards:

I. Planning standards that will be used to develop the project: and

J. Plans to obtain the appropriate NERC certifications.

2. An attestation from an officer of the project developer stating that the information that is being submitted is true and that the project developer will comply with the provisions identified in the qualification data submittal, and will submit a biennial (or more often if the information provided has materially changed) update of the information submitted, accompanied by an attestation from an officer of the project developer that the previously submitted information remains correct and has not materially changed since the last attestation, with such attestation to be submitted biennially while that transmission developer has a transmission project under consideration in the FRCC Regional Planning Process, under construction in the FRCC region or in-service within the FRCC region.

3. For joint ventures, partnerships, or other multiple-party developer arrangements, the qualification criteria above will be applied to the designated lead entity, which will be responsible for meeting the qualification criteria. Sharing of such responsibilities with other entities may be achieved contractually between the designated lead entity and its partners.

**Project Developer Qualifications Review**

1. Project developers (both incumbent and non-incumbent project developers) that are submitting for the first time a qualification application must submit the application and a deposit of $50,000 to the FRCC along with the information identified in the Qualification Criteria as set forth in this Attachment B above. The deposit will be used by the Board to fund the internal FRCC labor cost for Classification: Public
application review, which will be documented, and expenses for the independent consultant for the review described in the next section. Any unexpended amounts from the deposit, including interest, shall be refunded to the project developer. The transmission developer will be provided with an accounting of the actual costs and how the costs were calculated. Any disputes related to the accounting for specific deposits shall be addressed under the dispute resolution procedures in the FRCC Bylaws. A project developer may be a joint venture or a partnership in which case a lead representative will be designated in the qualification application. Project developers that already have been found qualified after a review by the FRCC must submit an attestation to maintain their qualification as discussed in above. If sufficient changes, as determined by the FRCC, have been identified in the attestation by a project developer which had previously been qualified, then a deposit of $10,000 to the FRCC will be required during the attestation review process. This deposit will be handled in a similar manner as described above for the initial project developer qualification review.

2. The Board will provide for the review of the submitted qualifications by an independent consultant. The independent consultant fees will be paid from the deposit made when a project developer qualification application is submitted. The independent consultant will make a recommendation to the Board as to whether the Qualification Criteria have been met. The Board shall make, on a non-discriminatory basis, a determination as to whether the Qualification Criteria have been met. If the Board determines that the Qualification Criteria have not been met, the Board will notify the project developer of the qualification deficiencies and provide a 30-day period for the project developer to cure the deficiencies. If a project developer does not agree with the Board’s determination, then the FRCC Bylaws Dispute Resolution Procedures are available for use by the project developer. The qualification process is a one-time process for each project developer, subject to the attestation review process annual update.

3. The timeline for the project developer qualification review evaluation process is set forth below:
   a. By January 1st of the first year of a BTPP cycle, any potential developer that seeks to be qualified to develop CEERTS projects during this cycle must submit its qualifications to the FRCC. Biennial attestations also must be submitted at this time.
   b. In January through March of the first year of a BTPP cycle, FRCC shall coordinate the qualifications review.
   c. By April 1st of the first year of a BTPP cycle, the Board will inform developers that have submitted qualifications or attestations that they have either met the qualification criteria or the Board will identify deficiencies in the submitted qualifications/attestations.
   d. From April 1st through April 30th of the first year of a BTPP cycle, developers will have an opportunity to cure deficiencies and resubmit their modified qualifications/attestations.
   e. From May 1st through May 31st of the first year of a BTPP cycle, the Board shall reexamine the modified qualifications/attestations, make final determinations, and notify developers, FRCC members and other stakeholders.

Classification: Public
Attachment C: Map
Attachment D: Examples of CEERTS Cost Allocation Methodology

Example 1: Reliability/Economic Project
CEERTS project where Enrolled Transmission Providers A, B and C all receive benefits from the project.
The project developer is a non-incumbent developer
Assumptions:
Estimated CEERTS Project Cost = $401M:
– Estimated Developer Cost = $400M
– Total Estimated Related Local Project Costs = $1M

Total Estimated Avoided Project Cost Benefit = $500M:
– Enrolled Transmission Provider A Estimated Avoided Project Cost Benefit = $300M
– Enrolled Transmission Provider B Estimated Avoided Project Cost Benefit = $200M
– Enrolled Transmission Provider C Estimated Avoided Project Cost Benefit = $0

Total Estimated Alternative Project Cost Benefit = $0M

Total Estimated Transmission Line Loss Value Benefit = $14M:
– Enrolled Transmission Provider A Estimated Transmission Line Loss Value Benefit = $4M
– Enrolled Transmission Provider B Estimated Transmission Line Loss Value Benefit = $5M
– Enrolled Transmission Provider C Estimated Transmission Line Loss Value Benefit = $5M

Benefit to Cost Ratio:
“(Total Estimated Avoided Project Cost Benefit” ($500M) plus "Total Estimated Alternative Project Cost Benefit" ($0M) plus “Total Estimated Transmission Line Loss Value Benefit” ($14M)) divided by Estimated CEERTS Project Cost ($401M) = 1.28, therefore this CEERTS project passes the benefit to cost ratio threshold.

CEERTS Project Cost Allocation:
(Percentages in this example are rounded to nearest whole percentage)
– Enrolled Transmission Provider A = (($300M + $4M) ÷ $514M) = 59%
– Enrolled Transmission Provider B = (($200M + $5M) ÷ $514M) = 40%
– Enrolled Transmission Provider C = (($0 + $5M) ÷ $514M) = 1%

Classification: Public
Example 2: Reliability/Economic Project
CEERTS project where Enrolled Transmission Providers A & B each receive avoided cost benefits from the project.
There are no transmission loss benefits.
The project developer is a non-incumbent developer
Assumptions:
Estimated CEERTS Project Cost = $400 M:
– Estimated Developer Cost = $400 M
Total Estimated Avoided Project Cost Benefit = $300 M:
– Enrolled Transmission Provider A Estimated Avoided Project Cost Benefit = $100 M
– Enrolled Transmission Provider B Estimated Avoided Project Cost Benefit = $200 M
Total Estimated Alternative Project Cost Benefit = $0M
Benefit to Cost Ratio:
“Total Estimated Avoided Project Cost Benefit” ($300 M) divided by Estimated CEERTS Project Cost ($400 M) = 0.75, therefore this CEERTS project does not pass the benefit to cost ratio threshold.
CEERTS Project Cost Allocation:
– N/A

Example 3: Public Policy Project
CEERTS project where LSEs within Enrolled Transmission Providers A, B and C each receive benefits from the project.
The project developer is a non-incumbent developer.
Assumptions:
Public policy CEERTS project enables access to a total of 600 MW of public policy resources
Public policy CEERTS project enables LSEs within Enrolled Transmission Providers A, B and C to access the public policy resources:
– Enrolled Transmission Provider A = 100 MWs
– Enrolled Transmission Provider B = 200 MWs
– Enrolled Transmission Provider C = 300 MWs
CEERTS Project Cost Allocation:
(Percentages in this example are rounded to nearest whole percentage)
– Enrolled Transmission Provider A = (100 MW / 600 MW) = 17%
– Enrolled Transmission Provider B = (200 MW / 600 MW) = 33%
– Enrolled Transmission Provider C = (300 MW / 600 MW) = 50%

Classification: Public
Example 4: Newly-Proposed CEERTS Project Displacing a Previously-Approved CEERTS Project

Previously-approved CEERTS project was estimated to provide LSEs within Enrolled Transmission Providers A and B benefits

Newly-proposed CEERTS project would displace the previously-approved CEERTS project as well as being estimated to provide LSEs within Enrolled Transmission Provider C benefits from the newly-proposed CEERTS project

The newly-proposed CEERTS project would displace the previously-approved CEERTS project

Previously-Approved CEERTS Project:
Assumptions:
Estimated Previously-Approved CEERTS Project Cost = $75M
Total Estimated Previously-Approved CEERTS Project Avoided Project Cost Benefit = $100M
– Enrolled Transmission Provider A Estimated Avoided Project Cost Benefit = $50M
– Enrolled Transmission Provider B Estimated Avoided Project Cost Benefit = $50M

Previously-Approved CEERTS Project Cost Allocation:
(Percentages in example are rounded to nearest whole percentage)
– Enrolled Transmission Provider A = ($50M / $100M) = 50%
– Enrolled Transmission Provider B = ($50M / $100M) = 50%

Previously-Approved CEERTS Project Displaced by a Newly-Proposed CEERTS Project:
Assumptions:
Estimated Newly-Proposed CEERTS Project = $100M
Total Estimated Newly-Proposed CEERTS Avoided Project Cost Benefit = $125M
– Total Estimated Previously-Approved CEERTS Project Cost Benefit = $75M
– Enrolled Transmission Provider C Estimated Avoided Project Cost Benefit = $50M

Newly-Proposed CEERTS Project Cost Allocation:
(Percentages in example are rounded to nearest whole percentage)
– Previously-Approved CEERTS Project Enrolled Transmission Providers (A & B) = ($75M / $125) = 60%
  – This 60% of the cost responsibility would be allocated to Enrolled Transmission Providers A & B:
    • Enrolled Transmission Provider A = 60% * 50% = 30%
    • Enrolled Transmission Provider B = 60% * 50% = 30%
– Enrolled Transmission Provider C = ($50M / $125M) = 40%