

**Date:** April 10, 2018

**To:** Chelsea Loomis – NTTG Planning Committee Chair  
Courtney Waites – NTTG Cost Allocation Chair  
Jared Ellsworth – NTTG Technical Work Group Chair

**Cc:** Sharon Helms, NTTG  
Rick Vail, PacifiCorp  
Brian Fritz, PacifiCorp

**Subject:** PacifiCorp's Response to the NTTG Public Policy Consideration Request

PacifiCorp as a Northern Tier Transmission Group (NTTG) member and participant in the Cost Allocation and Planning committees has reviewed the "Public Policy Consideration" request proposed to the Funding committee on March 29, 2018. After review of the request and the legal review by NTTG's legal representative PacifiCorp provides their view of this request and opinion of how the request should be moved forward.

1. In the review memo issued on April 4, 2018 by NTTG's legal representative the following information was provided on Page 4 of 4:

"In light of the context set forth above, Attachment K and Order 1000 define the process the Planning Committee must follow to evaluate Public Policy Consideration submitted by stakeholders as follows:

1. Does the request submitted by stakeholders identify (a) a transmission need, (b) that is driven by a public policy objective that is not set forth in regulation or law? If no to either (a) or (b), the analysis ends. If yes to both (a) and (b), then:..."

In PacifiCorp's view the requested study scenario does not meet the requirements of the initial question to be asked by the planning committee as it does not identify a transmission need, or that is driven by a public policy objective. The clear answer of no to the question would remove the request from consideration.

2. The request also contains assumptions of existing resource redispatch labeled as "Reduce the output of the following resources".

Under the Attachment K regional transmission planning process developed by the NTTG members, each transmission provider commits to using its "best efforts to facilitate NTTG conducting its regional planning process, using identified regional transmission service needs and transmission and non-transmission alternatives, to identify regional and interregional transmission projects (if any) that are more efficient or cost effective from a regional perspective than the transmission projects identified in the Local Transmission Plans developed by the participating transmission

providers that are Full Funders.” This commits the NTTG members to consider non-transmission alternatives when trying to identify more efficient or cost-effective regional projects.

However, nothing in Order No. 1000 or otherwise expressly includes redispatch among the non-transmission alternatives for NTTG members to evaluate. It is unclear how such a regional planning redispatch service could be viable in the NTTG regional study framework: first, pursuant to the terms of the transmission providers’ OATTs, planning redispatch is only offered pending the construction of network upgrades or it is to be biennially reassessed to ensure reliability; and second, generation within NTTG specifically is not centrally dispatched. Thus, while redispatch is neither expressly included or excluded from Order No. 1000’s requirement that regions evaluate non-transmission alternatives, at bottom there is no clear method of extrapolating this restricted service offered by a transmission provider for a limited time-frame, to one that would be offered across transmission providers to address regional transmission needs. Additionally the decision to operate of, the cost to operate, the limits of the resource and control of the operation are not under the purview or control of NTTG nor typically the transmission providers within NTTG. Including redispatch assumptions into the regional transmission reliability plan will introduce wrong assumptions and result in misleading and incorrect conclusions.

3. The request is couched as a NTTG evaluation, but is actually intended to interrogate PacifiCorp’s transmission system, resource –vs- load makeup, and a determination of need for the proposed Gateway projects. This type of analysis is outside the scope of NTTG as a regional transmission reliability entity and these analysis have been performed as part of PacifiCorp’s local transmission planning process, the Integrated Resource Plan and the WECC Path Rating Process. Additionally much of the request has been addressed in the previous NTTG planning cycle where Gateway Segment D, portions of Segment E and Segment F were identified to meet NTTG load service needs.
4. It is PacifiCorp’s view that if NTTG desires and the Planning and Steering Committees approve that a coal retirement scenario would be appropriate for the current planning cycle if that scenario included coal retirement plans per the members Integrated Resource Plans. Note that such a scenario would only be appropriate if all members’ plans were considered in the plan and not targeted to a specific member’s assets.

Based on this PacifiCorp requests that the Public Policy Consideration request as proposed be denied and not included in the current NTTG biennial study cycle. If it is determined that a coal retirement scenario would be beneficial, PacifiCorp would support such a study that considers the coal resources of all members.

Thank you,

Craig Quist – NTTG Planning Committee Member

Patience Kerchinsky - NTTG Cost Allocation Committee Member