

NorthernGrid – Frequently Asked Questions (FAQs) FOR EXTERNAL USE

WHAT IS NORTHERNGRID?

Utilities across seven western states filed with FERC to create new transmission planning region, NorthernGrid. NorthernGrid will create a single venue for coordination of regional transmission planning efforts in the Northwest and part of the Intermountain West. The new region will combine the majority of the membership base of the existing planning regions, ColumbiaGrid and Northern Tier Transmission Group.

WHAT IS A TRANSMISSION PLANNING REGION?

A transmission planning region is forum designed to facilitate the coordination of transmission planning among its members. The regional processes consider inputs that members submit through their local processes in order to identify efficiencies at the regional level. Regional planning activities are carried out within a planning cycle according to common processes.

The NorthernGrid planning cycle is a biennial cycle to gather input data, develop a study scope, perform the necessary technical studies and develop a draft regional plan, a draft final regional plan, and then the final regional plan. The process includes opportunity for stakeholder input at every phase.

WHY ARE PARTICIPANTS FORMING A NEW TRANSMISSION PLANNING REGION?

For more than 10 years, regional transmission planning in the Northwest and Intermountain West has been coordinated by two member regions, Northern Tier Transmission Group (“NTTG”) and ColumbiaGrid. A majority of members of the two regions have been engaged in discussions regarding the potential formation of a new single region that would facilitate coordinated regional planning among participating transmission providers and owners and operators.

The new region will include a broad membership of Northwest and Intermountain West entities with a larger “footprint” across the region. Participants anticipate the benefits of a single regional transmission planning organization to include:

- improved coordination and collaboration among the utilities in the region;
- expanded membership base;
- use of one common set of data and assumptions;
- elimination of duplicative efforts and functions for regional planning;
- enhanced ability to meet public policy objectives and economic development; and
- enhanced forum for stakeholder participation in regional transmission planning.

WHO ARE THE PARTICIPANTS IN NORTHERNGRID?

The main participants in NorthernGrid are:

- **MEMBERS:** Members are electric utilities that have an obligation to plan, build, own, and operate transmission systems. Members may also include non-electric utility developers of transmission projects.
- **ENROLLED PARTIES:** Enrolled Parties are those entities that enroll in NorthernGrid's Enrolled Region and participate in the transmission planning and cost allocation processes that satisfy FERC Order Nos. 890 and 1000.
- **STAKEHOLDERS:** Stakeholders are all interested parties, including regulators, tribes, environmental groups, the general public, and non-member electric utilities.

Participants in the NorthernGrid initiative include investor-owned utilities and public power/consumer-owned utilities serving customers in California, Idaho, Montana, Oregon, Washington and Wyoming. At present, the 13 active participants are: Avista Corporation; Bonneville Power Administration; Chelan PUD; Grant County PUD; Idaho Power; Enbridge/MATL; NorthWestern Energy; PacifiCorp; Portland General Electric; Puget Sound Energy; Seattle City Light; Snohomish County PUD; and Tacoma Power.

WHAT WILL HAPPEN TO COLUMBIAGRID AND NTTG?

ColumbiaGrid and the Northern Tier Transmission Group (NTTG) are the two existing transmission planning regions. As participants work toward implementing NorthernGrid, work is also occurring within the existing member regions to take steps to determine how to transition activities from those organizations to the new transmission planning region.

WHAT IS THE PROCESS TO FORM A NEW TRANSMISSION PLANNING REGION?

Participants have developed the initial governance documents and planning processes for NorthernGrid. This work includes developing an organizational governance structure and the governing documents necessary to establish the new planning region as well as facilitating a stakeholder process. Participants are coordinating in the development of tariff language and in seeking FERC approval required for jurisdictional utilities. Jurisdictional members need to make a series of filings with FERC to meet NorthernGrid's targeted operational date of January 1, 2020. On August 20th, participants took the first step with FERC by filing the NorthernGrid Funding Agreement. The second set of filings, Attachment K – Transmission Planning Process for Enrolled Members, was made on Sept. 6, 2019. A copy of the NorthernGrid Funding Agreement and PSE's Attachment K tariff filing is available On PSE's Open Access Same Time Information System (OASIS) website: <http://www.oatioasis.com/psei>

WHAT IS THE NORTHERNGRID FUNDING AGREEMENT?

The Funding Agreement defines the rights and obligations for participating through NorthernGrid.

HOW DOES NORTHERNGRID ACCOMMODATE THE NEEDS OF BOTH ITS JURISDICTIONAL AND NON-JURISDICTIONAL MEMBERS?

NorthernGrid will provide a forum for the coordination of regional planning activities. Participants have developed regional planning processes to accommodate participation by both FERC-jurisdictional and non-jurisdictional members. NorthernGrid will be a single transmission planning organization for regional planning. However, because NorthernGrid's membership included both FERC-jurisdictional and non-jurisdictional entities, NorthernGrid's planning processes have been bifurcated according to a Member Region that includes all the members and an Enrolled Region that includes jurisdictional members and any non-jurisdictional member that might elect to enroll. This structure is designed to accommodate the diversity of NorthernGrid's membership. It will produce a single regional transmission plan, which will address the collective needs of all of its membership.

The Member Region will encompass the transmission systems of all NorthernGrid members, which includes jurisdictional and non-jurisdictional utilities. The Enrolled Region will encompass the transmission systems of only those entities that enroll in the Enrolled Region. The underlying planning processes for the Member Region and Enrolled Region are largely the same process, which are based on FERC's Order No. 890 requirements for participation in coordinated, open, and transparent transmission planning. The Enrolled Region contains additional process requirements necessary to facilitate compliance with Order No. 1000, most notably FERC's requirement for binding cost allocation.

WHAT IS THE NORTHERNGRID ATTACHMENT K – TRANSMISSION PLANNING PROCESS FOR ENROLLED PARTIES?

The Enrolled Parties will incorporate NorthernGrid processes for the Enrolled Region into Attachment K of their Open Access Transmission Tariffs. The amended Attachment Ks will define the planning process for NorthernGrid's Enrolled Region.

HOW WILL STATE AGENCIES AND TRIBES BE INVOLVED?

State representative/s and tribes will participate in NorthernGrid committees as defined in the NorthernGrid charters. They may also participate as stakeholders in the local, regional and interregional planning processes.

WHEN WILL NORTHERNGRID START OPERATIONS?

Participants in NorthernGrid are targeting an operational date of January 1, 2020.

WHO WILL MANAGE THE DAY-TO-DAY OPERATIONS OF NORTHERNGRID?

NorthernGrid will be an unincorporated association of members with the members being responsible for NorthernGrid's planning activities. Members expect to select a project coordinator that will provide technical and administrative support that will facilitate NorthernGrid's transmission planning activities.

HOW AND WHEN WILL THE PROJECT COORDINATOR BE SELECTED?

The project coordinator will be selected through a Request for Proposal (RFP) process open to qualified entities. Members expect to issue the RFP in Q3/Q4 2019 and select a vendor in late 2019.

WILL NORTHERNGRID ACCEPT NEW MEMBERS AND, IF SO, WHAT IS THE PROCESS?

Yes. Entities interested in joining NorthernGrid are welcome to complete the application process once FERC has approved the NorthernGrid filings.

WHERE SHOULD QUESTIONS ABOUT THE NORTHERNGRID EFFORT BE DIRECTED?

Questions may be directed to NorthernGrid participants. Talk to your host electric utility representative who is a participating member of NorthernGrid for additional information.