Western Transmission Consortium






TWTC

Need, Values, Structure, Opportunity, and Process



The Need

Western Hurdles & Institutional Response

Planning

WestTEC
POWERED BY WPP

Interjurisdictional Transmission

Western Transmission Consortium

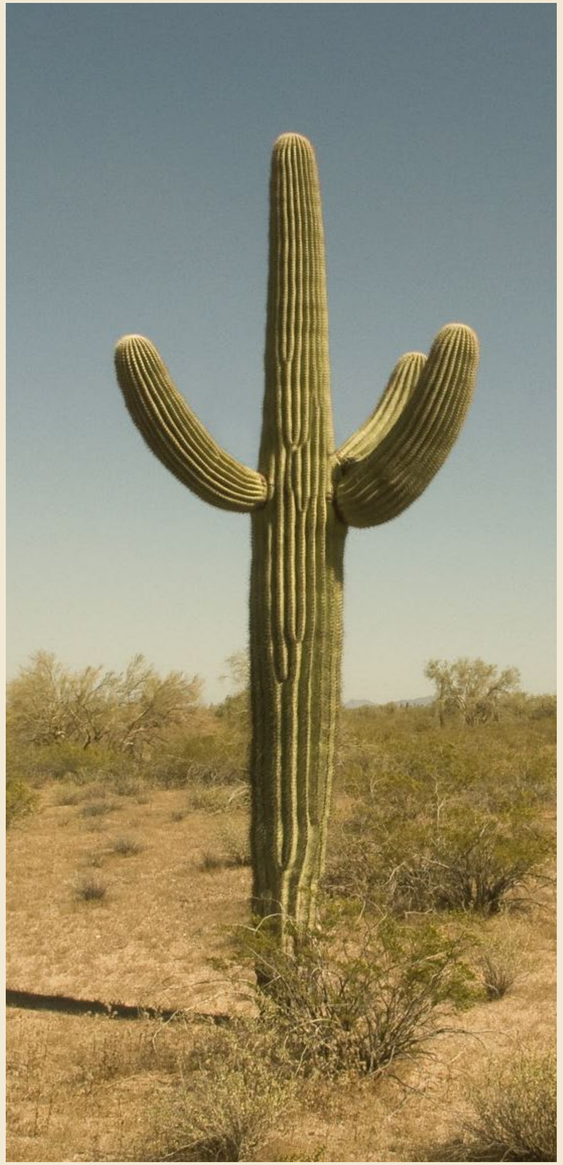
Markets

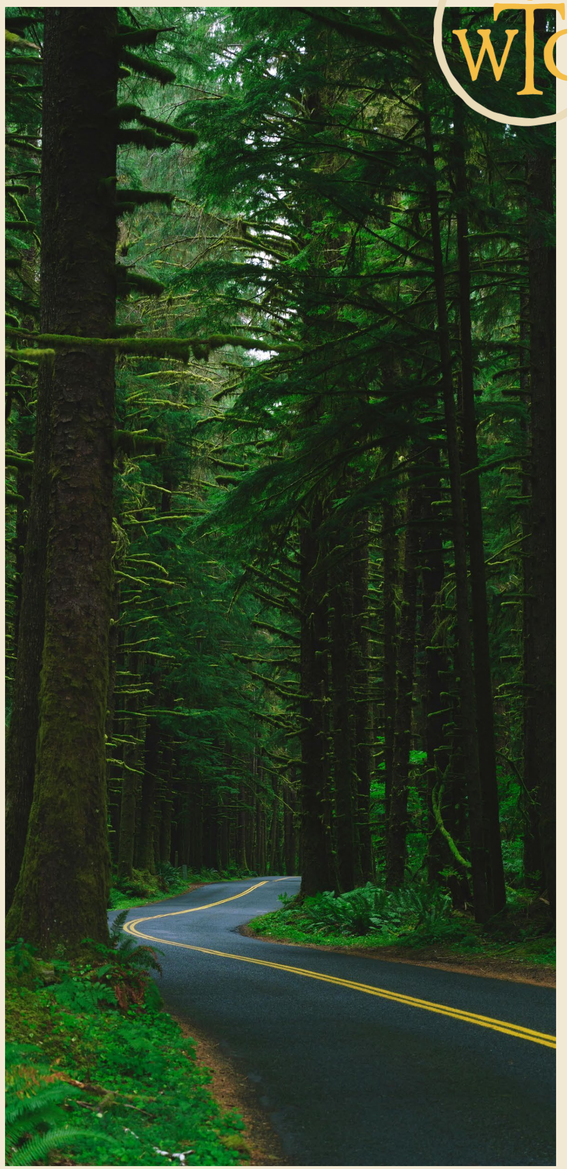
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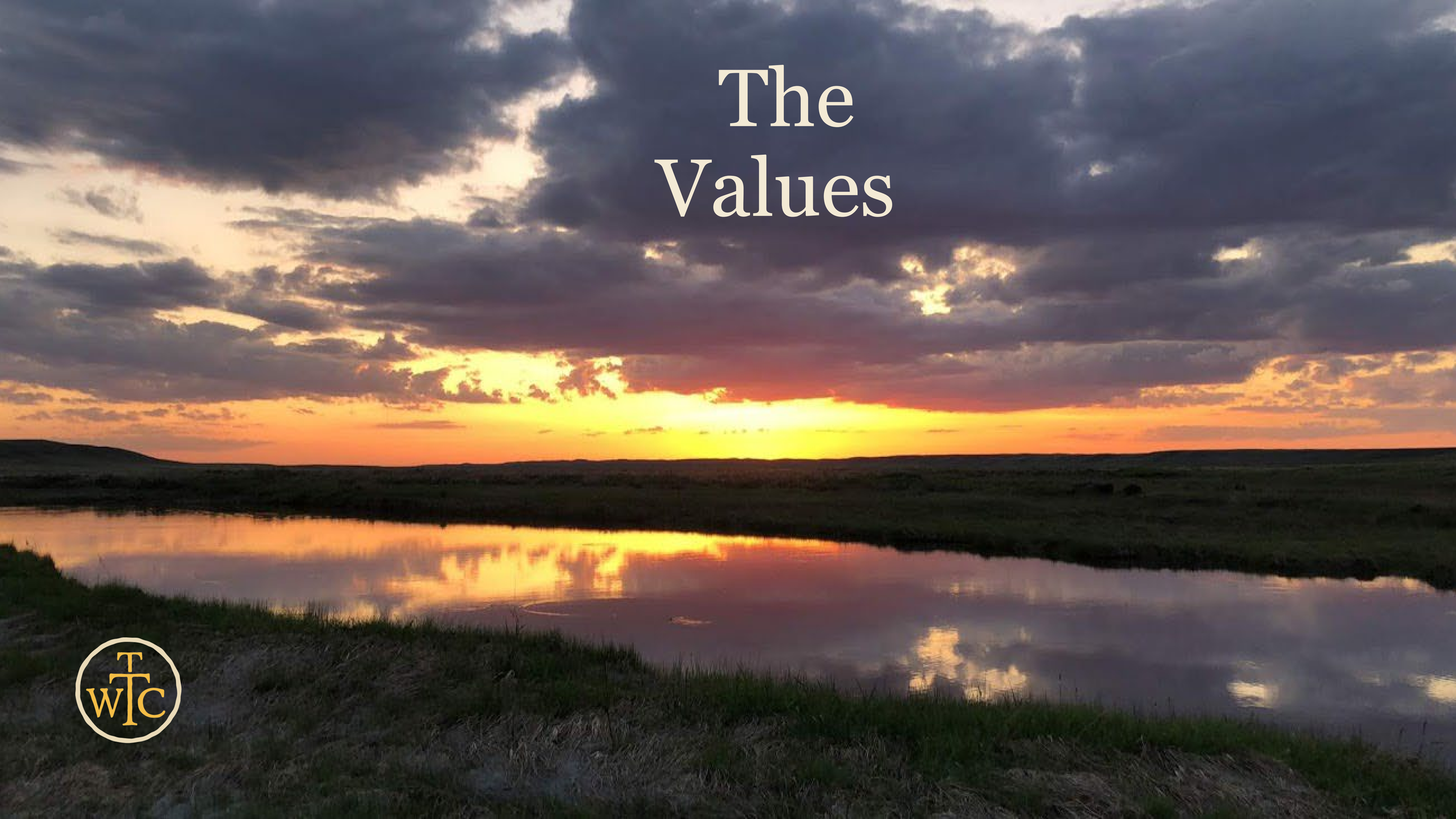
WEIS/Markets+

Why TWTC Meets the Need

- Lack of interjurisdictional transmission requires a direct and institutional solution
- Fills the funding gaps in interjurisdictional transmission projects
- Brings creative solutions to drive collaboration, mitigate barriers, and meet state goals
- Bolsters utility transmission planning, communications, and regulatory staff.
- Transmission costs are paid by those that benefit, not socialized across region







The Values

Setting the Values

Accountability

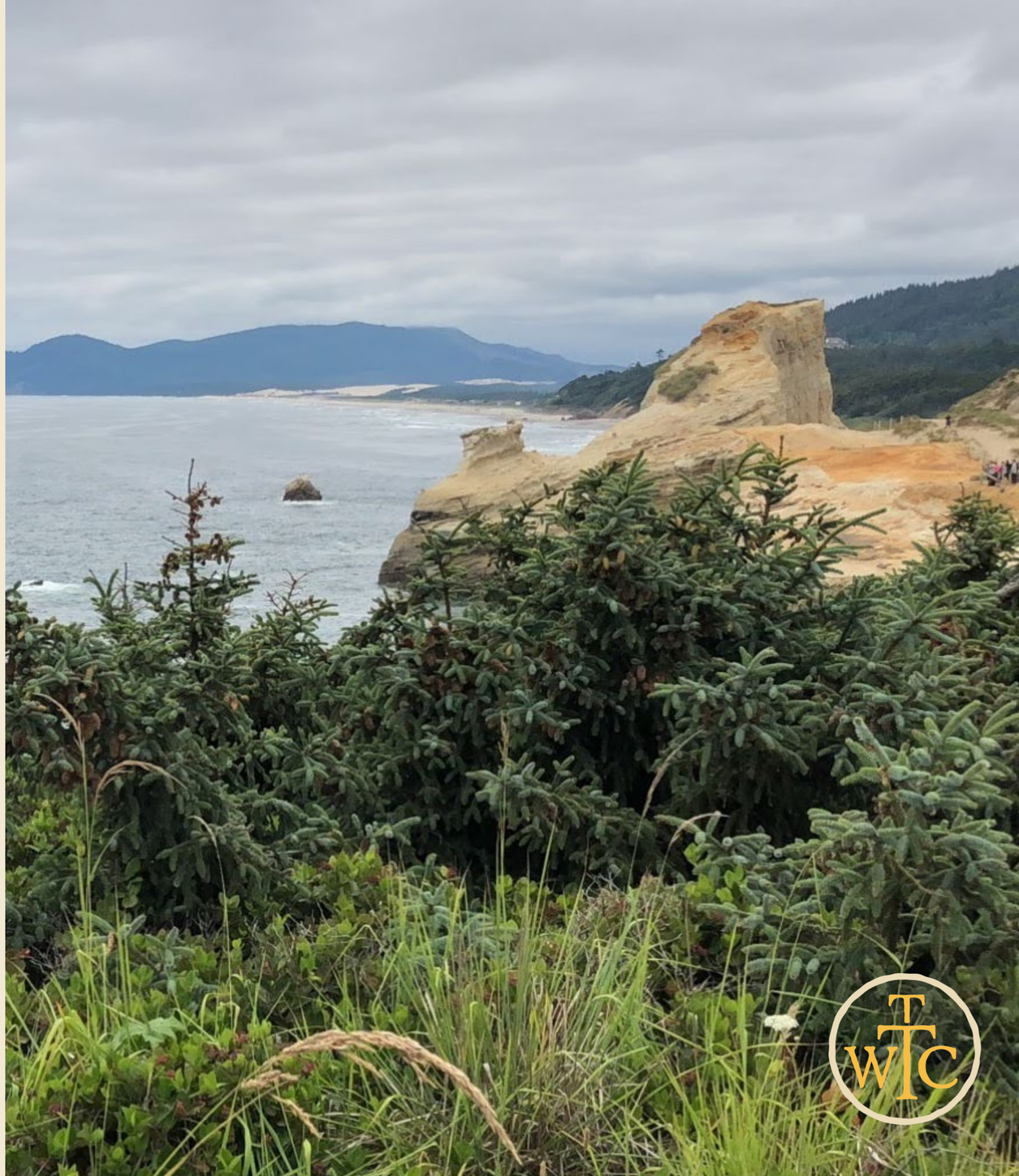
TWTC is accountable to customers and regulators in providing benefits from the transmission it builds

Collaboration

TWTC tries something different by bringing different business models, risk and investment appetites together

Acceleration

TWTC builds





The Structure

TWTC Board

- **Paul Kjellander, TWTC Board President** - Former Idaho PUC Chair; NARUC President, Artist in residence
- **Susan Ackerman** - Former Chair, Oregon PUC; Board Member, Western Power Pool
- **Larry Bekkedahl** - Senior VP, Portland General Electric; Former Senior VP, Bonneville Power Administration, PacifiCorp
- **Alaina Burtenshaw** - Former Chair, Nevada PUC
- **Doug Howe** - Former Commissioner, New Mexico PRC; Board Member, Western Power Pool
- **Rich Walje** - Former President, Rocky Mountain Power, lineman
- **Donald Williams** - Energy Committee Co-Chair, Affiliated Tribes of Northwest Indians; Principal Consultant, From the Light Consulting

Member Classes

TWTC three tiers of membership:

Class A - LSE as owner/investor in a project(s):

- Greater risk appetite
- Risk-adjusted equity position
- More initial capital to spur projects
  * $25k initial, $75k at PDA, $900k capitalizable project cost at JDA

Class B - Independent Transmission Developer

- Capital investment appetite
- Policy goals and increased demand driving interjurisdictional transmission needs
- Capital investment dependent on regulatory approval
  * $1m single project membership, $5m all pods

Class C - LSE as off-take only

- Freedom to be pure off-take or investor
- Cost allocation tied to members' benefiting
- Demand growth drives transmission needs
- Lower up-front capital investment but ensures "load in the room"
  * $25k annual membership



TWTC Communities

Three Pillars

- **Advocacy**
- **Tribal Engagement**
- **Western Transmission Forum**
- **Collaboration**

Project-derived funding builds a sustainable pro-investment environment aimed at ensuring educated participants.

Leverage the experience of TWTC Communities' Board to communicate with key constituencies



The Opportunity

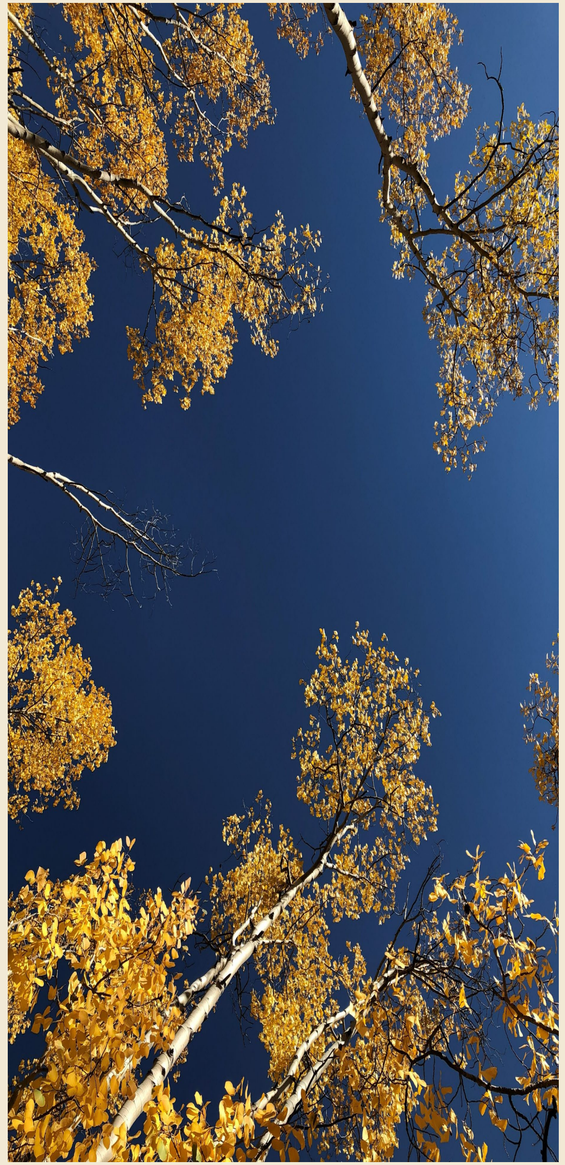


The TWTC approach

- Drives needed projects forward that would not otherwise be built
- Accelerates investment
- Aligns with regional needs—and helps address them
- Lowers costs to members/project participants and customers
- Lowers risk to members/project participants

TWTC – Value Proposition

- Fills the funding gaps in interjurisdictional transmission projects
- Builds off planning efforts underway at WestTEC and elsewhere
- Allows different business models – ITC, IOU, public power – to work together while being true to their business nature
- Beneficial to customers and accountable to state regulatory priorities
- Transmission costs are paid by those that benefit, not socialized across region





The Process

Curation Process: PNW Pod Status

Complete · Underway · Not started

1 Identify Needs & Drivers

- TWTC member input
- IRP data
- Transmission planning information
- Large load & interconnection queue needs
- Transmission service studies
- Market dynamics and access

COMPLETE

2 Conceptual Solutions

- Collect TWTC member concepts
- Modify or expand known projects
- Energy Strategies to offer concepts based on need
- Review with participants

COMPLETE

3 Studies & Conceptual Structuring

- Identify participants & investors
- Preliminary project design and transfer capability
- Preliminary cost estimate
- Preliminary structure advisement
- Preliminary rate analysis
- Regulatory analysis and feasibility

UNDERWAY

4 Allocations and B/C Study

- Preliminary capacity allocations
- Forecast benefits relative to costs (as needed for LSE)
- Goal: B/C >1 for all participants

NOT STARTED

5 Refine Solution & Structure

- Refine based on study results
- Re-assess benefits until B/C justifies investment
- Right-size investment based on benefits
- Go / No-Go decision

NOT STARTED

Potential Iteration

OUTCOMES OF CURATION PROCESS

Go / No-Go decision
Individual member decision. Could be based on internal analysis and analysis offered by TWTC / consultants.

Triggers Project Exploration
A "Go" begins diligence by each party, with preliminary term sheet, exploration agreements, and other matters.

Outreach

- Conversations with 36 of 39 State Commissioners
  - Individual and Open Meeting briefings building unopposed support for TWTC
- Panels
  - EEI, NARUC, CREPC, Current Issues, TCE, Western Conference of PSCs, CETI, to name a few
- Regional organizations
  - WECC, WPP, PGP, NRU, PNUCC, ATNI, UAMPS, PNGC, to name a few
- Partnerships
  - WestTEC, WGA/PACT, Doug Howell
  - State Transmission Authorities