

Planning Procedures for Canada-Pacific Northwest-California Transmission Project

Introduction and Purpose

The utilities specified on the Pacific Gas and Electric Company (“PG&E”) website¹, (jointly, the “Participants”), are working jointly to evaluate the feasibility of constructing a transmission line interconnecting British Columbia, Canada (at or near the Selkirk substation) with California, US (at or near the Tracy or Tesla substations) (“Project”).

In order to assure transparency and permit all prospective customers, regulators, other transmission providers and other interested persons (“Stakeholders”) to participate in the planning process for the Project from end to end and with maximum flexibility for “one-stop” participation, PG&E is posting the following overview of the planning procedures and coordination procedures that apply to the Project. **This document is informational only and may be updated from time to time. It does not supersede or replace any planning procedures (including coordination provisions) to which any Participant is otherwise subject. This document is only intended to provide guidance to persons interested in participating in the planning of this Project.**

Planning Process

SECTION 1: Planning Process; Data Sources

- 1.1. Applicability. These procedures relate to a single multi-year process for the Project only, not a cyclical process. Information and plans developed through this process will be incorporated into the cyclical planning processes of the individual Participants or their sub-regional planning authority, as applicable.
- 1.2. Structure. Project committees will address specific aspects of the Project planning process and will be established from time to time in accordance with the then-current stage of planning. Committees previously established include the Loads and Resources Working Group, the Technical Analysis Committee and the Economic Analysis Committee. These committees were formed following a 2006 Project “kick-off” meeting to which Western Electricity Coordinating Council (“WECC”) members, public officials and other interested parties were invited and include members with a diverse range of interests. Lists of members of these committees and presentations of the past work of these committees are posted on the Project website. Additional committees may be formed, or existing committees eliminated or replaced, from time to time by the Participants and with the advice of Stakeholders. Changes in committee

¹ <http://www.pge.com/canada>

structure and the formation of new committees will be announced from time to time on the Project website (address set forth below).

- 1.3. Standards. The Project will be planned to meet all applicable NERC and WECC criteria.
- 1.4. Studies.
 - 1.4.1. Generally, studies will utilize WECC databases and will be conducted pursuant to the WECC Policy and Procedures for Regional Planning Project Review, Project Rating Review, and Progress Reports. To the extent other data or procedures are used for any particular study, such information will be provided on the Project website.
 - 1.4.2. Project studies will include economic, loadflow, transient voltage and stability studies, short circuit studies and voltage collapse studies, as necessary and appropriate.
 - 1.4.3. Participants and Stakeholders that participate in the planning process through a Project committee (as discussed below) identify the studies needed and participate in the formation of assumptions and study parameters.
 - 1.4.4. Requests for economic planning studies related to the Project may be submitted to the Economic Analysis Committee for consideration by the committee when new studies are planned. The Participants as a group will not commit to conduct economic planning studies on request. Nothing herein modifies or limits the obligations of a Participant to undertake economic studies in accordance with that Participant's obligations under its filed OATT, where applicable.

SECTION 2: **Stakeholder Participation; Information Exchange**

- 2.1. Website. Study documents and other information regarding the Project can be found on the Project website:

<http://www.pge.com/canada/>

- 2.2. Stakeholder Participation.
 - 2.2.1. Stakeholders may participate in Project planning through participation on one or more of the Project's committees. A Stakeholder that wishes to join a committee should contact the Project manager at WECCProcessInfo@pge.com. Committee members will be notified directly by e-mail of meetings or other committee activities.
 - 2.2.2. Stakeholders may also participate in the WECC planning process subject to any applicable WECC requirements. WECC membership is open to

any organization having an interest in the reliability of interconnected system operations or coordinated planning.

- 2.2.3. In addition, the Participants, acting jointly, may sponsor public meetings open to any Stakeholder at which Project studies may be presented and discussed. In addition, the Participants may sponsor or coordinate public regional or sub-regional meetings jointly with others at which the Project (and other transmission matters) may be presented and discussed. The time and location of public meetings jointly sponsored by the Participants for the purpose of discussing the Project will be posted on the Project website with no less than thirty (30) calendar days' notice.
- 2.2.4. Stakeholders may also participate in the planning processes of any individual Participant (or in the case of PG&E, through the CAISO) in accordance with the applicable procedures of such entity.
- 2.3. Access Information. A Stakeholder may receive or access information through active participation on Project committees or through its participation in the planning processes of an individual Participant, as applicable. In addition, Stakeholders may obtain the WECC base cases (including power flow base cases and associated files for stability cases) through WECC, subject to WECC's confidentiality requirements. Specific information regarding particular studies, including assumptions, data sources and methodology and the study results, will be posted on the Project website or (subject to any applicable confidentiality requirements) made available on request.
- 2.4. Provide Information.
 - 2.4.1. In addition to providing information through active participation on Project committees or through the planning processes of an individual Participant, where applicable, Stakeholders may submit information and comments on the Project to: WECCProcessInfo@pge.com
 - 2.4.2. The format for submitting data regarding projected loads and resources will be posted on the Project website. For loads, the submitted data must include MW and MVAR (both peak and off-peak values). For generators, the submitted data must include D-Curves, terminal voltage, maximum and minimum capacity values and step-up transformer data. Each person submitting information is responsible for providing that information on a timely basis and updating that information as it may change from time to time.

SECTION 3: **Coordination**

3.1. Regional.

3.1.1. Project development will be coordinated with WECC's Transmission Expansion Planning Policy Committee and other WECC committees as needed to complete regional studies.

3.1.2. Project development will be coordinated with other high voltage projects that share a common footprint and time schedule. The coordination effort is documented at the Northwest Power Pool ("NWPP") website: <http://www.nwpp.org/tcwg/>.

3.1.3. The Participants have formed the Transmission Coordination Work Group (TCWG) which serves as a forum to coordinate transmission planning activities among the Participants and other owners and prospective owners of transmission projects that are in the same phase of the WECC rating process as the Project and that would be located in the northwest region of the US. The Participants and other TCWG members may participate in public meetings that are open to Stakeholders as described in Section 2.2.3 so that the progress and study results of TCWG for the Project and other regional projects can be discussed in conjunction with one another. TCWG documents are located on the website maintained by the NWPP.

3.2. Sub-Regional and Local. Where a Participant determines it is appropriate, that Participant will coordinate the incorporation of Project planning and Project-study results into its local planning process and communicate such information as appropriate to its respective sub-regional group (*e.g.*, Columbia Grid, Northern Tier Transmission Group, California Independent System Operator Corporation and Northwest Transmission Assessment Committee) for inclusion in local and sub-regional plans, as appropriate, to the extent not otherwise covered by the above.

SECTION 4: **Cost Allocation**

4.1. Recovery of Project Costs. Cost allocation for the Project among the Participants will be determined by negotiation and be consistent with any cost allocation mandates to which each individual Participant is subject.

4.2. Recovery of Planning Costs. A Participant's recovery of its planning costs will be done in accordance with the policies and procedures of each individual Participant.

Dated: August 29, 2008