

**DRAFT -- FOR STAKEHOLDER DISCUSSION**

**PURPOSES ONLY**

AMENDED AND RESTATED

NORTHEASTERN ISO/RTO

PLANNING COORDINATION PROTOCOL

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## 1. Introduction

This protocol (the “Protocol”) describes the foundation for processes and procedures through which coordination of system planning activities will be implemented by the ISOs and RTOs of the northeastern United States and Canada. The parties to this ~~protocool~~Protocol will be the PJM Interconnection, L.L.C. (PJM), the New York Independent System Operator (NYISO), and ISO New England (ISO-NE~~).~~) (collectively, Parties and individually, a Party). This document shall be binding on each ~~party's~~Party's successors and assigns. The activities of the ~~parties~~Parties, as defined under this ~~protocool~~Protocol, will be conducted in coordination with the Regional Reliability Councils of northeastern United States and eastern Canada (NPCC and MAAC). In addition, the ~~protocool~~Protocol was developed with participation from Ontario's Independent Electricity Market Operator (IMO), Hydro-Quebec (TransEnergie) and New Brunswick Power. These entities are not ~~parties~~Parties to this ~~protocool~~Protocol but have accepted to participate, at their convenience, in the Data and Information Exchange process and in regional planning studies for projects that may have ~~inter-area~~interregional impact to ensure better coordination in the development of the Interconnected Power System. This could include participation in studies of Interconnection Requests and studies of Long Term Firm Transmission Service Requests. The Canadian entities are not participating in any sharing of the costs, as proposed under this ~~protocool~~Protocol, of future system upgrades or modification.

The ~~protocool~~Protocol describes the committee structure that is established to coordinate inter-area planning activities, procedures for the exchange of planning-related data and information, and the system planning analysis procedures that will be utilized by the ~~parties~~. ~~The primary purpose of this protocool is to~~Parties. The primary purpose of this Protocol is to provide procedures for joint evaluation and sharing of information by the Parties regarding the transmission needs of their respective regions and potential interregional solutions to those needs, to the end that potential interregional facilities are identified and evaluated to determine whether those facilities are more efficient or cost-effective than regional solutions. The conduct of these procedures will contribute, through coordinated planning, to the on-going reliability and the enhanced operational and economic performance of the ~~systems of the parties. This will be accomplished in two ways. First, the parties will coordinate the evaluation, on an on-going basis, of Tariff provided services, such as generation interconnection, to recognize the impacts that result across the seams between systems. Second, the parties~~Parties' regions. The Parties will produce, on a periodic basis, a Northeastern Coordinated System Plan (NCSP) that integrates 1) the regional system plans of the ~~parties~~Parties, 2) on-going load growth and retirements or deactivations of infrastructure, 3) market-based additions to system infrastructure, such as generation or merchant transmission projects, 4) distributed resources, such as demand side and load response programs, ~~and~~5) regional transmission upgrades identified, jointly, by the ~~parties~~Parties to resolve seams issues, or to enhance the coordinated performance of the ~~systems~~regions, and 6) interregional transmission upgrades (the costs of which are allocated between and/or among regions) that can meet regional needs more efficiently or cost-effectively than separate regional solutions.

~~The Parties agree that, to the extent that changes may be required in their respective tariffs to implement certain provisions of this protocool, they will use their best efforts to achieve the necessary approvals through their respective governance and regulatory processes. Until such tariff changes are enacted or in the event that one or more of the parties is unable to enact such tariff changes, the affected provisions of the protocool will not be implemented until it can be modified to ensure consistency with the tariffs of the parties.~~

Interregional transmission projects must first be proposed in the regional transmission planning processes of each of the neighboring regions in which the transmission facility is proposed to be located. The submission of the interregional transmission project in each regional transmission planning process will trigger the procedure under which the Parties, will jointly evaluate the proposed transmission project. This joint evaluation will be conducted in the same general timeframe as, rather than subsequent to, each Party's individual consideration of the proposed transmission project. Finally, for an interregional transmission facility to receive cost allocation under the interregional cost allocation method or methods reflected in [this Protocol/the Party's OATT], the transmission facility must be selected in both of the relevant regional transmission planning processes for purposes of cost allocation.

In addition, the Parties will coordinate the evaluation, on an on-going basis, of Tariff-provided services, such as generation interconnection, to recognize the impacts that result across the seams between regions.

This Protocol is cross-referenced in each of the Parties' open access transmission tariffs (OATTs). The Parties will ensure that their respective OATTs contain, in addition to a link to this Protocol, sufficient description for stakeholders to follow how interregional transmission coordination will be conducted.

## 2. Committee Structure

This section defines the committee structures established in support of the comprehensive process of coordinating system planning activities through the Northeastern ISO/RTO Planning Coordination Protocol.

The ~~protocool~~Protocol establishes:

- an Inter-area Planning Stakeholder Advisory Committee, and
- a Joint ISO/RTO Planning Committee.

### 2.1 Inter-area Planning Stakeholder Advisory Committee

The ~~parties~~Parties shall form an Inter-area Planning Stakeholder Advisory Committee (IPSAC) for the purpose of allowing for review of and input to: (a) coordinated system planning activities by all stakeholder groups; (b) proposed interregional transmission projects; and (c) modifications to the interregional coordination procedures reflected in this Protocol; and (d) tariff language to be included in respective OATTs regarding interregional coordination.

Initially, the representatives to the existing ISO/RTO planning advisory committees will comprise the membership of the IPSAC. With respect to this ~~protocool~~Protocol, in all cases, stakeholders may include the market participants within the regions of the ~~parties~~Parties, governmental agencies, regional state committees, regional reliability councils, and any other parties with an interest in the coordination of planning related to the northeastern ISO/RTOs. All such stakeholders may join the IPSAC. With respect to the development of the NCSP, the IPSAC will meet:

- prior to the start of each cycle of the coordinated planning process to review and provide input on the assumptions and scope of analysis upon which the development of the NCSP will be based,

- at least once during the development of the NCSP to review and provide feedback on the preliminary results of the coordinated system planning analysis and to identify sensitivity analyses that may be required, and
- upon completion of the NCSP to review the final results of the system planning analysis.

## 2.2 Joint ISO/RTO Planning Committee

The ~~parties~~Parties shall form a Joint ISO/RTO Planning Committee (JIPC), comprised of representatives of the staff of the ~~parties~~Parties, for the purpose of coordinating planning activities, identifying issues related to the Inter-area planning process, and facilitating the resolution of such issues. In addition, ad hoc committees will be established to resolve specific planning coordination issues. Such ad hoc committees may include representatives of the JIPC, the affected transmission owners, and other interested stakeholders. The JIPC shall:

- be responsible for coordinating planning activities under this ~~protocol~~Protocol, including the development of planning procedures, the conduct of planning analyses, the evaluation of interregional projects in the same general timeframe as the respective planning processes of the regions of the Parties in which the project would be constructed and with the input of the IPSAC, and the production of the NCSP,
- receive and analyze, with input from the IPSAC, the efficiency and cost-effectiveness (relative to regional projects) of proposals identified by the JIPC or submitted to the JIPC by developers of interregional transmission projects;
- be responsible for the communication of information related to the coordinated planning process, including identification and approval of materials to be posted on websites and maintenance of required e-mail lists; such information shall include, among other things, be responsible for the maintenance of a web site and required e-mail lists for the communication of information related to the coordinated planning process: (i) the analyses undertaken by JIPC of proposed interregional projects; (ii) determinations reached by JIPC with IPSAC input, and the corresponding determinations of the regions in which an interregional project would be built; and (iii) information on the progress and construction of interregional projects.
- ~~meet~~meet, and hold joint meetings with the IPSAC, on at least a semi-annual basis to review and coordinate system planning activities,
- support the review by any federal or provincial agency of elements of the NCSP,
- support the review by multi-state entities, regional state committees, state, provincial, or other similarly situated entities, including the facilitation of new transmission facility additions, and
- conduct periodic reviews of the effectiveness of interregional coordination efforts under the Protocol; and
- establish working groups as necessary to provide adequate development and review of the inter-area plan. Where practical, the JIPC will utilize existing working group and committee structures in support of inter-area planning activities.

Chairmanship of the JIPC will be rotated among the ~~parties~~Parties with the term of the chairmanship to be one year. The chairman will be responsible for the scheduling of meetings, the preparation of agendas for meetings, and the production of minutes of meetings.

Additionally, the JIPC will establish a schedule for the rotation of responsibility for data management, coordination of stakeholder meetings, coordination of analysis activities, report preparation, and other activities.

Each partyParty shall be responsible for its own costs to support the activities of the JIPC. Administrative costs included for public meetings, website maintenance, etc. shall be divided among the partiesParties on a load ratio basis.

### 3. Data and Information Exchange

This section defines the on-going process by which data and information are shared among the partiesParties in support of the more comprehensive process of coordinating regional system planning activities through the Northeastern ~~ISQ~~/RTO Planning Coordination Protocol. Identified are:

- the data and information that will be exchanged among the partiesParties,
- the schedule for the exchange of data and information,
- the formats to be used for the exchange of data and information
- the procedures for the development of required analysis models,
- the rules and procedures to be followed with respect to the confidentiality of data and information exchanged among the partiesParties, and
- the procedures for the identification of contact persons, responsible for the exchange of data and information under this ~~protocol~~Protocol.

#### 3.1 Data and Information Exchange

Each partyParty shall provide the others with information as maybe required for the performance of reliability, economic and public policy planning studies as agreed upon by the JIPC. The partiesParties will also exchange such data and information as is needed for each partyParty to plan its own system accurately and reliably and to assess the impact of conditions existing on the systems of the other partiesParties. Confidentiality of data and information will be governed by a confidentiality agreement among the partiesParties. All release and/or exchange of data and information will be done in a manner consistent with FERC Critical Energy Infrastructure Information guidelines and procedures, and any confidentiality or information release policy or agreements to which each Party may be subject, and other agreements that may be developed in order to implement this Protocol.

Each partyParty shall provide the others, on a periodic basis; and at least annually (recognizing the varying planning cycles of the respective regions), with all data required for system planning analyses that may include the development of power flow cases, short-circuit cases, and stability cases, including ten-year load forecasts and any retirements or deactivations of transmission or generation facilities. All critical assumptions that are used in the development of these cases shall be included, as well as system planning documents that may include long-term and short-term system assessments, geographical system maps, one-line and breaker diagrams, and contingency lists for use in power flow and stability analyses, including lists of all single contingency events and appropriate multiple facility common-mode contingencies consistent with the applicable criteria of the area.

Each partyParty shall identify all interconnection requests that are expected to impact the operation of other partiesParties' systems. The partiesParties will work together to develop the necessary tools or decision criteria so that such potential impacts can readily be identified.

Each partyParty shall provide the others with information regarding long-term firm transmission service and other transmission services on all interfaces relevant to the coordination of planning among their systemsregions.

In addition to the on-going exchange of planning-related information and coordination of planning process activities, System Operations, Market Operations, and System Planning personnel representing the partiesParties will meet once each year to review the issues impacting the coordination of these functions as they impact long range planning and the coordination of planning among their systemsregions.

### 3.2 Schedule of Data and Information Exchange

Most of the data and information exchanged under this protocolProtocol will be provided on an annual basis, recognizing the varying planning cycles of the respective regions. Reports of planning or operational analyses will be provided as they are completed. The dates for the exchange of necessary data that may include load forecasts and power flow, short circuit, stability and production cost modeling data will be established by the JIPC to correspond to the appropriate point in the annual planning process time line of each partyParty.

To facilitate the coordination of planning analyses, the partiesParties will inform each other, on a monthly basis, of any interconnection requests that have been received and any long-term firm transmission services that have been approved that may impact the operation of the other partiesParties' systems. On a quarterly basis, the partiesParties will inform each other of the current status of all interconnection requests that have been so identified.

### 3.3 Data and Information Formats

To the extent practical the maintenance and exchange of power system modeling data will be implemented through databases. The formats for information exchanges will be agreed upon by the partiesParties. Where possible, other information that may include geographical system maps and one-line diagrams will be provided in an electronic format agreed upon by the partiesParties

### 3.4 Coordination of Power System Analysis Model Development

Detailed procedures for the development of power system analysis models will be prepared and documented by the JIPC. The partiesParties shall develop common power system analysis models to perform the analyses required to develop the NCSP. Models will be developed for necessary interregional system planning analyses such as power flow analyses, short circuit analyses, stability and production cost analyses. For studies of interconnections in close electrical proximity at the boundaries between the systems of the partiesParties, the partiesParties will perform a detailed review of the appropriateness of the required power system models. Other analyses, as agreed upon by the JIPC, will be fully coordinated and may include areas such as resource adequacy and related studies as well as congestion and public policy studies. Changes to baseline data and updates to the power system analysis models will be performed annually to capture all system upgrades and allow analyses to accurately identify cross border impacts. Coordination of power system analysis models will rely upon existing working groups to the maximum extent practical.

### 3.5 Data Contacts

Each ~~party~~Party shall name a person responsible for the coordination and exchange of all data and information, on a periodic basis, as agreed to by the ~~parties~~Parties pursuant to this ~~protocool~~Protocol.

## 4. Northeastern Coordinated System Plan (NCSP)

This section defines the ongoing process by which system planning analyses are performed by the ~~parties~~Parties, interregional transmission projects are considered, and a coordinated system plan is developed ~~through the Northeastern ISO/RTO Planning Coordination Protocool~~. The primary purpose of this process is to ensure that coordinated analyses are performed *to* identify power system reliability concerns or other system needs, and to recommend upgrades *to* mitigate identified reliability concerns. The identification of other system needs should, in turn, provide market signals to address those needs, including investment in generation, merchant transmission facilities, and demand (or load) response programs, which promote power system reliability and robustness. If the market responds with an adequate solution to identified system needs or a solution that helps *to* mitigate identified reliability concerns, these solutions will be evaluated and included in the NCSP. If inadequate market solutions are proposed, regulated solutions will be developed and included in the NCSP. As a result, the interregional transmission projects will be included in the NCSP to extent included in the regional system plans of the regions in which the projects will be built. An interregional transmission project resulting from the interregional coordination procedures in the protocol does not bypass the pertinent regions' transmission planning processes. The NCSP will present a coordinated, cost effective transmission plan that identifies appropriate projects for ensuring reliability of service and a robust system. This coordinated plan is updated as market responses to identified problems develop.

The goal of the NCSP is to achieve a reliable system of generation, distributed resources, demand side management and transmission, and helps to ensure that sufficient regulated transmission solutions are identified in the event market-based resources do not respond to identified needs. Therefore, the NCSP identifies expansions or enhancements to transmission system capability needed to maintain reliability, improve operational performance, or enhance the competitiveness of electricity markets in full coordination with market responses.. Discussed are:

- the procedures for on-going analysis of interconnection requests that may impact the systems of the ~~parties~~Parties,
- the procedures for ongoing analysis of requests for long-term firm transmission service and other transmission services that may impact the systems of the ~~parties~~Parties,
- the procedures for periodic analysis of the collective system of the ~~parties~~Parties and the development of a NCSP, and—
- the procedures for the establishment of contact persons, responsible for the coordination of system planning analysis activities under this ~~protocool~~Protocol.

As will be discussed later in this section, all analyses performed to evaluate cross-border impacts on the system facilities of one of the ~~parties~~Parties will be based on the criteria, guidelines, procedures or standards applicable to those facilities. In the event that system upgrades are required to resolve cross-border impacts, such upgrades will be constructed according to the standards, terms, and conditions of the ~~party~~Party on whose system the upgrade is required.

#### 4.1 Analysis of Interconnection Requests (also applicable to Merchant Transmission)

In accordance with applicable Interconnection Procedures under which the partiesParties are providing Interconnection Service, each partyParty will coordinate with the other partiesParties the conduct of any studies required for determining the impact of a request for generator or merchant transmission interconnection. Results of such coordinated studies will be included in the impacts reported to the interconnection customers as appropriate. Coordination of studies will include the following steps:

- Upon the posting to the OASIS of a request for interconnection, the entityParty receiving the request ("direct connect systemregion") will notify potentially impacted systemsregions of the request, along with the information provided in the posting.
- If the potentially impacted systemregion believes that its system may be materially impacted by the interconnection, the potentially impacted systemregion will contact the direct connect systemregion and indicate a desire to participate in the interconnection studies that may be performed. The JIPC will develop screening procedures to assist in the identification of interconnection requests that may impact systemsregions or parties other than the direct connect systemregion.
- If the direct connect systemregion performs or contracts for the performance of any system impact studies for the interconnection customer, the direct connect systemregion will contact potentially impacted systemsregions to determine the nature and cost of any studies to be performed to test the impacts of the interconnection on the potentially impacted systemregion who will perform the studies. The partiesParties will strive to maximize the efficiency of the coordinated study process.
- Any coordinated studies will be performed in accordance with the study timeline requirements of the applicable interconnection procedures of the direct connect systemregion. Both the direct connect systemregion and the potentially impacted systemsregions will use their best efforts to meet the applicable study timelines. However, the direct connect systemregion will be responsible for satisfying the requirements of its tariff related to the interconnection request. The potentially impacted systemregion may participate in the coordinated study either by taking responsibility for performance of studies of its system, or by providing input to the studies to be performed by the direct connect systemregion. The study cost estimates indicated in the study agreement between the direct connect systemregion and the interconnection customer will reflect the costs and the associated roles of the study participants. The direct connect systemregion will review the cost estimates submitted by all participants for reasonableness, based on expected level of participation and responsibilities in the study.
- The direct connect systemregion will collect from the interconnection customer and forward to the potentially impacted systemsregions the costs incurred by the potentially impacted systemsregions associated with the performance of such studies.
- If in the determination of the potentially impacted systemregion, the results of a coordinated study indicate that network upgrades are required in accordance with procedures, guidelines, criteria, or standards applicable to the potentially impacted systemregion, the direct connect systemregion will identify the need for such network upgrades in the system impact study prepared for the interconnection customer.

- Requirements for the construction of such network upgrades will be under the terms and conditions of the potentially impacted systemregion and consistent with applicable federal or provincial regulatory policy.

Each partyParty will maintain a separate interconnection queue. A composite listing of interconnection requests will be maintained by the JIPC of all interconnection projects that have been identified as potentially impacting the systemsregions of partiesParties other than the direct connect systemregion. In all cases, the queue date associated with an interconnection request for which coordinated studies will be performed will be determined by the original request to the direct connect systemregion. The composite listing of interconnection requests will be maintained on the web site established by the JIPC for the communication of information related to the coordinated planning process. The web site will contain links to the web sites of each of the partiesParties where individual interconnection study results will be maintained.

## 4.2 Analysis of Long Term Firm Transmission Service Requests

In accordance with applicable procedures under which the partiesParties may be providing Long-Term Firm Transmission Service, each partyParty will coordinate with the other partiesParties the conduct of any studies required in determining the impact of applicable requests for such service. Results of such coordinated studies will be included in the impacts reported to the transmission service customers as appropriate. Coordination of studies will include the following steps:

- The partiesParties will work together to coordinate the calculation of ATC values associated with long term firm point-to-point transmission services, based on contingencies on the systems of each partyParty that may be impacted by the granting of such services.
- Upon the posting to the OASIS of a request for long-term firm transmission service, the systemregion receiving the request will notify potentially impacted systemsregions of the request, along with the information provided in the posting.
- If an Impact Study is to be performed, and if the potentially impacted systemregion believes that its system may be materially impacted by the service or request for Merchant expansion, the potentially impacted systemregion will contact the entity receiving the request and indicate a desire to participate in the studies that may be performed. The JIPC will develop screening procedures to assist in the identification of service requests that may impact systems of partiesParties other than the systemregion receiving the request.
- If the systemregion receiving the request performs or contracts for the performance of any system impact studies for the transmission service customer, the systemregion receiving the request will contact potentially impacted systemsregions to determine the nature and cost of any studies to be performed to test the impacts of the service on the potentially impacted systemregion and who will perform the studies. The partiesParties will strive to maximize the efficiency of the coordinated study process.
- Any coordinated studies will be performed in accordance with the study timeline requirements of the applicable transmission service procedures of the systemregion receiving the request. Both the systemregion receiving the request and the potentially impacted systemsregions will use their best efforts to meet the applicable study timelines, However, the systemregion receiving the request will be responsible for satisfying the requirements of its tariff related to the request.

- The potentially impacted systemregion may participate in the coordinated study either by taking responsibility for performance of studies of ~~their~~its system, or by providing input to the studies to be performed by the systemregion receiving the request. The study cost estimates indicated in the study agreement between the systemregion receiving the request and the transmission service customer will reflect the costs and the associated roles of the study participants. The systemregion receiving the request will review the cost estimates submitted by all participants for reasonableness, based on expected level of participation and responsibilities in the study.
- The systemregion receiving the request will collect from the interconnection customer and forward to the potentially impacted systemsregions the costs incurred by the potentially impacted systemsregions associated with the performance of such studies.
- If in the determination of the potentially impacted systemregion, the results of a coordinated study indicate that network upgrades are required in accordance with procedures, guidelines, criteria, or standards applicable to the potentially impacted systemregion, the systemregion receiving the request will identify the need for such network upgrades in the system impact study prepared for the transmission service customer.
- Requirements for the construction of such network upgrades will be under the terms and conditions of the potentially impacted systemregion and consistent with applicable federal or provincial regulatory policy.

### 4.3 Development of the Northeastern Coordinated System Plan

Each partyParty shall engage in such regional system planning activities as are necessary to fulfill its obligations under its agreements and open access transmission tariff. Such planning shall conform to applicable reliability requirements of the North American Electric Reliability Council, applicable regional reliability councils, or any successor organizations, the local sub-~~---~~region and areas, and all applicable requirements of federal, state, or provincial laws or regulatory authorities. Each partyParty agrees to document the procedures, methodologies, and business rules that are utilized in preparing and completing this system planning report.

In addition, each partyParty will coordinate with the other partiesParties the conduct of any studies required to assure the reliable, efficient, and effective operation of the power systemssystems of the Parties' regions and assist in the preparation of an NCSP. Each party'sParty's applicable periodic regional system plan will be incorporated into the NCSP-including interregional projects first proposed, and subsequently included – after review under this Protocol for relative cost-effectiveness and efficiency versus individual regional projects -- in the plans of each region in which the projects will be built. The ~~NCSPwith~~NCSP will also include a section that describes the results of the interregional analysis for the combined systems, as well as the procedures, methodologies, and business rules that were utilized in preparing and completing the jointinterregional system analysis.

Coordination of studies required for the development of the NCSP will include the following steps:

- Periodically, the partiesParties agree to perform a comprehensive, coordinated inter-areainterregional system assessment and system expansion planning study. Sensitivity analyses will be performed, as required, based on a review by the IPSAC and the JIPC of discrete reliability problems or operability issues that arise due to changing system conditions.

- Each ~~party~~Party will be responsible for providing the technical support required to complete the analysis for the study. The responsibility for the coordinated study and the compilation of the coordinated interregional study report will rotate among the ~~parties~~Parties.
- The JIPC will develop a scope and procedure for the ~~inter-area~~interregional planning assessment.
- The scope of the study will include evaluations of the ~~power~~power system against the applicable reliability criteria, operational performance criteria, and economic performance criteria.
- The study will include evaluation of the relative efficiency and cost-effectiveness of interregional solutions to identified regional needs, where judged promising by the JIPC in consultation with the IPSAC, compared with regional solutions in the respective regions.
- Each ~~party~~Party will provide a baseline model that includes all system enhancements included in the ~~party's~~Party's regional system-~~expansion~~ plan, and all of the committed interconnection projects and any associated system upgrades.
- The study will initially evaluate the reliability of the combined power systems- of the Parties' regions. Any upgrades required to resolve criteria violations will be agreed upon and included in an updated baseline model.
- The performance of the combined power systems will be tested against agreed upon operational and economic criteria, where applicable, using the updated baseline model. Upgrades required to resolve operational and/or economic performance criteria violations will be included in the NCSP.
- Where applicable, and consistent with planning and operating criteria, the ~~parties~~Parties will evaluate operational solutions as a means to resolve reliability, operational, and/or economic performance criteria violations. Operational solutions will be considered for either short-term or long-term application and, when determined to be an appropriate means to resolve such violations, will be identified in the NCSP.

The NCSP will be reviewed with the IPSAC. Feedback from ~~this Committee~~the IPSAC will be included in the final NCSP.

Each ~~party~~Party will include in its own regional system plan all elements of the NCSP, which are to be constructed ~~on~~in its system~~region~~. Each ~~party~~Party will be responsible for securing approval of the elements of the NCSP, which are to be constructed on its system through the procedures by which the ~~party~~Party secures approval of its regional system plan.

In the event that a ~~party~~Party does not secure approval of elements of the NCSP which are to be constructed ~~on~~in its system~~region~~ or does not proceed, or is unable to implement the construction of such elements, the remaining ~~parties~~Parties may agree to re-evaluate the plan in an effort to develop alternative recommendations, pursue dispute resolution through procedures established by the ~~parties~~Parties, or pursue any other remedies that may be available through applicable federal or provincial regulatory agencies.

#### 4.4 Cost Allocation

The allocation of cost for elements of the NCSP will be addressed consistent with applicable provisions of each Party's tariff, and any applicable guidance provided by FERC Orders or

interpretations. The cost allocation methodology(-ies) for interregional projects developed under this Protocol and adopted in the Parties respective regional plans is (are) described in Section 4.4.x.

To be eligible for interregional cost allocation, an interregional transmission facility must be selected in the regional transmission plan for purposes of cost allocation in each of the transmission planning regions in which the transmission facility is proposed to be located.

For a project that is initiated by a Party solely to meet its own region's needs, but that requires upgrades in another Party's region in order to facilitate reliable operation of the project, the Parties agree that if the initiating Party's region agrees to pay for the costs of such upgrades, the other Party's region will arrange for the construction of those upgrades.

Nothing in this Protocol shall preclude agreement to other funding arrangements.

#### 4.5 Contact Persons

Each ~~party~~Party shall name a representative and an alternate to the JIPC and a person with primary responsibility for all coordinated interregional system planning analyses performed under this ~~protocool~~Protocol. The representative to the JIPC will be responsible for assuring that the proper policies and procedures are maintained and followed.

### 5. Dispute Resolution

If the ~~parties~~Parties to this Protocol are unable to complete any of the tasks outlined herein, or if an issue arises associated with implementation of this Protocol that cannot be resolved by ~~the JIPC~~the JIPC, any ~~party~~Party may refer the matter to the Chief Executive Officers of the ~~parties~~Parties ("CEOs"). The CEOs agree to schedule a meeting to resolve the issue or to provide direction, as appropriate, on a priority basis.

In the event that the CEOs do not reach agreement on any issue referred to them ~~withinten~~within ten (10) days, then any ~~party~~Party may refer the matter to a neutral, third-party Dispute ~~ResolutionService~~Resolution Service, which may include the FERC's Dispute Resolution Service, and request a session be convened to initiate non-binding dispute resolution services. Costs assessed by the ~~DisputeResolution~~Dispute Resolution Service for the use of such service shall be borne by all ~~parties~~Parties to this ~~agreement~~Protocol equally.

PJM, NYISO or ISO NE may refer issues between or among them that are not resolved pursuant to the above provisions to FERC's Dispute Resolution Service and request a session be convened to initiate non-binding dispute resolution services.

### 6. Liability and Indemnity

The ~~parties~~Parties acknowledge that, in the course of our cooperative efforts under the ~~protocool~~Protocol, each RTO and ISO that is a ~~party~~Party to the ~~protocool~~Protocol will continue to maintain and be obligated by its own, separate and individual governance, tariffs and agreements.

More specifically, each ~~party~~Party additionally agrees as follows:

- Nothing in the ~~protocool~~Protocol is intended to override the separateness or compromise the independence of each ~~party~~Party.

- Each ~~party~~Party agrees to indemnify, defend and hold the other ~~party~~Party harmless from and against any and/or all judgments, awards, demands, liability, losses, costs and expenses (including reasonable attorneys' fees and court costs) arising out of any claim by a third- party grounded in facts or events taking place within its RTO or ISO and arising from the ~~protocool~~Protocol. Except for the preceding obligation to indemnify, no ~~party~~Party to this Protocol shall have any liability to any other ~~party~~Party to this Protocol for any obligation arising hereunder.
- Each ~~party~~Party agrees that the ~~protocool~~Protocol does not create or acknowledge any partnership, joint venture or further agreement or obligation among the ~~parties~~Parties above and beyond the exact words of the ~~protocool~~Protocol. Nor does the ~~protocool~~Protocol create any third-party beneficiaries or impart any legal right or expectation to any member or market participant of a ~~party~~Party.
- Each ~~party~~Party acknowledges and agrees that the ~~protocool~~Protocol will not impact the rights of each ~~party's~~Party's respective members under the separate and individual governance, tariffs and agreements of each RTO or ISO.

WHEREFORE, this amended and restated agreement is executed as of \_\_\_\_\_, which is the effective date of the agreement.

**ISO NEW ENGLAND INC.**

**By:** \_\_\_\_\_  
Gordon van Welie  
President and CEO

**NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.**

**By:** \_\_\_\_\_  
Stephen G. Whitley  
President and CEO

**PJM INTERCONNECTION, L.L.C.**

**By:** \_\_\_\_\_  
W. Terry Boston  
President and CEO