

The NLSO shall undertake selected Economic Planning Studies on behalf of Interested Parties. Economic Planning Studies shall evaluate potential upgrades or other investments that could reduce congestion or integrate new resources and loads. Generally, these studies will be conducted in conjunction with other planning studies. The Economic Planning Study process does not replace the generator interconnection process, nor will it be used to grant transmission service. Specific Point-to-Point Transmission Service, Network Integration Transmission Service and Interconnection Service will be studied pursuant to the NL Transmission Policies and Procedures and Generator Interconnection Procedures. Capitalized terms in this document are defined in either Section 2.0 of the NL Transmission Planning Process, Section 2.0 of the NL Transmission Policies and Procedures, or in Section 2.0 of the Generator Interconnection Procedures.

1.0 Initiation

Interested Parties may submit requests to the NLSO for Economic Planning Studies at any time using the *Request for Economic Planning Study* form found on the NLSO OASIS website. To be considered in the upcoming NL Transmission Planning Process cycle, requests should be submitted no later than August 31st.

The form can be delivered to the NLSO by fax, e-mail or mail to:

Attention: Manager, Reliability Standards and Commercial Compliance
Fax: 709-737-1318
E-Mail: transmissionservices@nlh.nl.ca
Mailing Address: Attention: Manager, Reliability Standards and Commercial Compliance
 Newfoundland and Labrador System Operator
 Hydro Place, 500 Columbus Drive
 P.O. Box 12400
 STN A. St. John's, NL
 A1B 4K7

Questions regarding the Economic Planning Study process may be referred to the Manager, Reliability Standards and Commercial Compliance as follows:

Phone: 709-570-5906
Fax: 709-737-1318
E-Mail: transmissionservices@nlh.nl.ca

2.0 Requirements

All Economic Planning Study requests must satisfy the following criteria:

1. All requests for Economic Planning Studies must be submitted to the NLSO in writing, signed by the Interested Party making the request.
2. The written request must set forth, in detail, why an Economic Study is justified. The justification should address all relevant facts that indicate that the study is for the purposes of planning for the alleviation of congestion through integration of new supply and demand resource into the regional transmission grid or expanding the regional transmission grid in a manner that can benefit large numbers of customers, such as by evaluating transmission upgrades necessary to connect major new areas of generation resource (such as areas that support substantial wind generation).
3. The request must include, at a minimum, the following information:
 - 3.1 Contact information including the name of the company, street address, mailing address, email address and phone number, as well as a contact name.
 - 3.2 A statement that the application is not a request for Transmission Service or generator Interconnection Service.
 - 3.3 A defined Point Of Receipt and Point of Delivery.
 - 3.4 A defined monthly or hourly MW amount.
 - 3.5 A defined monthly energy amount in KWh.
 - 3.6 If the requestor's own generation is affected by the request, the following information must be provided: economic dispatch costs, hourly generation

patterns, relevant maintenance information; expected generation forced outage rate; and all other factors affecting generation output.

- 3.7 If the requestor's own load is affected by the request, then the expected change in hourly load profile must be provided.
 - 3.8 If the request involves or affects third party generation or load, all public information for this third party generation or load (as described in 3.2-3.7) in possession of the requestor must be provided.
4. A statement that the requestor will provide, to the greatest extent practical, additional information and will agree to cooperate with the NLSO as necessary to complete the Economic Planning Study.

Sponsors of the Economic Study Request are invited to participate in the NLSO's open Transmission Planning Meeting.

The information required in the *Request for Economic Planning Study* does not replace other information requirement processes dealing with Network Integration Transmission Service, specific Point-to-Point Transmission Service, and Interconnection Service, which are studied pursuant to existing *NL Transmission Policies and Procedures* and *Generator Interconnection Procedures*.

The NLSO will review each such request received. Requests for Economic Planning Studies will be considered on their merits and the NLSO is under no obligation to undertake each study requested. The NLSO shall, with due consideration of priorities identified by Interested Parties, identify a maximum of two high priority Economic Planning Studies, with no minimum, that will be performed on behalf of Interested Parties within a calendar year. If an Interested Party is not satisfied with the studies identified by the NLSO, they have the right to pursue the dispute resolution process outlined in the *NL Transmission Policies and Procedures*.

3.0 Evaluation Criteria

The NLSO will follow an evaluation process to determine which Economic Planning Study Requests it will undertake in the current planning cycle to refresh the NL Transmission Plan. This evaluation process will take place from September 1st to October 31st, and will consider the value for the NLSO to incorporate the opportunities identified by an Interested Party to meet the NLSO's already identified asset and system needs. Typically, the Economic Planning Study Requests that the NLSO will perform include the following considerations, but are not limited to:

1. Requests that could potentially result in significant reduction of overall costs for those projects identified in the NL Transmission Plan;
2. Requests that could potentially improve reliability performance when serving load, generation, or Transmission Customers;
3. Requests that align with the existing NLSO transmission plans, regional and inter-regional practices, and NLSO planning criteria;
4. Requests that are similar to other Interested Parties' requests, and other NLSO stakeholder needs.

After evaluation of the Economic Planning Study Requests, the NLSO will notify the Interested Parties making the requests via email as to whether or not the requests will be studied.

4.0 Scope Development

The NLSO's review and evaluation of Economic Planning Study Requests determines the preliminary scope of the Economic Planning Studies the NLSO plans on performing in the upcoming planning cycle to refresh the NL Transmission Plan. This preliminary scope of Economic Planning Studies will be provided to all Interested Parties via email and through the NLSO OASIS website by November 1st. This information will typically include:

1. A list of Economic Planning Studies and their study scope which meets the NLSO's needs and opportunities;
2. Which Economic Planning Studies have been accepted for study including their description and study timelines;
3. Which Economic Planning Studies can be combined, if any;
4. Identification of the appropriate planning activity for each Economic Planning Study;
5. Coordination opportunities between accepted Economic Planning Studies and the NLSO's planning activities that have already started or will be starting; and
6. Duration of opportunities for Interested Parties to provide their input.

The NLSO will indicate the timeline and comment period for Interested Parties to provide their input on this draft scope. The NLSO will consider this input and may at its discretion, update the scope documentation relating to the accepted Economic Planning Studies. The final scope of the

accepted Economic Planning Studies will be posted on the NLSO's OASIS website, with a notification email sent to all Interested Parties.

5.0 Completion of Studies

In order for the NLSO to conduct the selected Economic Planning Studies within the planning scope, often additional information will be required from the Economic Planning Study sponsor.

5.1 Detailed Information Requirements

The NLSO may request the sponsor to supply information that is reasonably necessary for the NLSO to conduct the selected Economic Planning Studies. Such information may include cost information for additions and/or changes to transmission and generation assets, as well as forecasts for near term and long term demand, performance requirements, technical specifications, etc. Any information so provided will not be considered confidential unless it is claimed as such. The NLSO will have no obligation to proceed with an Economic Planning Study if the NLSO does not receive the information reasonably necessary to conduct the Economic Planning Study.

Subject to confidentiality and security restrictions, any information received from Interested Parties may be used by the NLSO without restriction in any of its planning activities.

5.2 Technical and Economic Analysis

With the scope of the selected Economic Planning Studies finalized and additional necessary information gathered, the NLSO will begin the technical and financial analysis no later than February 1st. As with all transmission planning, there is a major iterative aspect in the evolution and maturation of the planning study. Economic Planning Studies will follow this iterative process, and as such, this phase in the planning activity marks when the majority of the working relationship and collaborative efforts will occur between the NLSO and the Economic Planning Study sponsors. Further communications, meetings, and additional information gathering may be required. Generally this phase in the planning activity could include, but is not limited to:

1. Emerging policies and themes;
2. The needs of the NLSO;
3. The needs of the Economic Planning Study sponsors;

4. Planning assumptions, criteria, and methodologies;
5. Technical data additions and review;
6. Determination of technical planning tools and appropriate applications;
7. Application of planning tools to identify planning criteria violations;
8. Solution development;
9. Reviews of initial technical and financial results;
10. Preliminary alternative analysis; and
11. Adjustments to alternatives.

The technical studies performed will first identify violations of the transmission planning criteria outlined in the NLSO's *NL Transmission Planning Guidelines*. Various system alternatives will be developed and studied to resolve these constraints. The alternatives will be measured and compared from technical, economic, and strategic perspectives including environmental and/or social impacts. The results of this analysis will form the basis of the preliminary set of system projects. Each project will include other system alternatives, to assist in the development of a business case if the project were to proceed further.

Some of the typical information that should be gathered in the study phase includes, but is not limited to:

1. Capital costs;
2. Reliability impacts;
3. System performance changes (benefits/drawbacks);
4. Strategic alignment;
5. Asset benefits (integrated planning);
6. Price/capacity added;
7. Environmental, social and safety impacts; and
8. Deferral risk (impact of not doing the Project – the “do nothing alternative”).

Information that is relevant to evaluate a proposed project should be gathered in this step, with the premise that a future justification would be needed to obtain capital funding approval and implement the project.

6.0 Economic Planning Study Results

The Economic Planning Study results, including a list of a preliminary set of projects, will become inputs to the NL Transmission Plan, which is released by March 31st. Comments on the contents of the Economic Planning Study results will be solicited via email and the OASIS website, due by April 30th. Interested Parties are invited to participate in the NLSO's open Transmission Planning Meeting which is held in early April. A summary of comments received will be posted to the NLSO OASIS website by May 15th, and any revisions or corrections will be published.