

## 1.0 State Agreement Process

### 1.1 Definitions

- 1.1.1 Eligible Cost Allocation Project is a Long-Term Regional Transmission Facility that the Enrolled Transmission Providers have selected for purposes of Long-Term Regional Transmission Cost Allocation.
- 1.1.2 Enrolled Transmission Providers means the transmission providers listed as Enrolled Transmission Providers in the Transmission Provider's tariff proposal submitted to FERC in response to Order 1920.
- 1.1.3 FERC means the Federal Energy Regulatory Commission.
- 1.1.4 FERC-approved Cost Allocation Methodology refers to the Cost Allocation Methodology for Eligible Cost Allocation Projects in a Long-Term Transmission Plan that is approved by FERC.
- 1.1.5 Order 1920 means the Federal Energy Regulatory Commission's Order No. 1920 *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation*, 187 FERC ¶ 61,068 (2024).
- 1.1.6 Order 1920-A means the Federal Energy Regulatory Commission's Order No. 1920-A *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation*, 189 FERC ¶61,129 (2024).
- 1.1.7 Order 1920-B means the Federal Energy Regulatory Commission's Order No. 1920-B *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation*, 191 FERC ¶ 61,026 (2025).
- 1.1.8 Participant(s) means one representative from a state commission that regulates the retail rates of an Enrolled Transmission Provider.
- 1.1.9 State Agreement Process refers to the process described in FERC Orders 1920, 1920-A, and 1920-B that allows state entities to propose an alternative cost allocation methodology to FERC-approved Cost Allocation Methodology.

### 1.2 State Agreement Process Timing

- 1.2.1 The State Agreement Process shall commence when the Enrolled Transmission Providers identify a potential Eligible Cost Allocation Project.
  - 1.2.1.1 The State Agreement Process terminates six months from the date an Eligible Cost Allocation Project is selected for cost allocation. If the Participants fail to reach an

agreement on an alternative cost allocation methodology, the FERC-approved Cost Allocation Methodology would apply. If the Participants eligible to vote reach agreement on an alternative methodology, participants will share that methodology with the Enrolled Transmission Providers. That methodology shall be filed with FERC by the Enrolled Transmission Providers.

### 1.3 State Agreement Process Participation

1.3.1 Each Participant that represents a state commission that regulates the retail rates of an Enrolled Transmission Provider initially identified as a beneficiary of the Eligible Cost Allocation Project is eligible to vote on any proposed alternative to the FERC-approved Cost Allocation Methodology during the State Agreement Process.

1.3.2 If, during the State Agreement Process, an alternative cost allocation approach being considered might assign costs to an Enrolled Transmission Provider that was not initially identified as beneficiary of the project, a Participant that represents a state that regulates the retail rates of such Enrolled Transmission Provider is eligible to vote on such alternative approach.

### 1.4 State Agreement Process Facilitation

1.4.1 The Enrolled Transmission Providers must immediately notify the Participants when a potential Eligible Cost Allocation Project has been identified.

### 1.5 Cost Allocation to Non-Jurisdictional Utilities in the State Agreement Process

1.5.1 If costs are allocated to an Enrolled Transmission Provider that is not state regulated, the Participants shall consult with the impacted non-state regulated Enrolled Transmission Provider prior to voting on an alternative cost allocation methodology.

1.5.2 If, during the State Agreement Process, the Participants conclude that non-Enrolled Transmission Providers will significantly benefit from the Eligible Cost Allocation Project, the Participants may vote to recommend that the Enrolled Transmission Providers rescind the decision to select that Eligible Cost Allocation Project.

1.6 Decision Making Criteria

1.6.1 Each Participant has one vote.

1.6.1.1 For a single Eligible Cost Allocation Project, each Participant eligible to vote must agree to approve the proposed alternative to the FERC-approved Cost Allocation Methodology.

1.6.1.2 For a portfolio of projects, at least 75 percent of Participants eligible to vote that represent states that regulate the retail rates of the Enrolled Transmission Providers that would be allocated at least 75 percent of the estimated total costs of the projects must agree to approve a proposed alternative to that Cost Allocation Methodology.

1.7 Access to data

1.7.1 Participants have the authority to request relevant information from enrolled transmission providers and WestConnect.