

Scope – Oversight/Steering Committee (OSC)

Purpose

The OSC manages the NCTPC Participants' Transmission Planning Process.

The duties of the OSC include the following:

- a. for the areas of the State of North Carolina and South Carolina served by the NCTPC Participants, participate in the Reliability Planning Process, and oversee the development of the Enhanced Transmission Access Planning Process;
- b. review and approve transmission planning criteria and critical assumptions for the bulk transmission system (*i.e.*, 230 kV and above plus lower voltage facilities that substantively affect the Reliability Planning Process and the Enhanced Transmission Access Planning Process) and, where appropriate, develop and recommend such criteria and assumptions to be used by the Planning Working Group (PWG);
- c. promote the application of such planning criteria and/or assumptions within the territories served by the NCTPC Participants;
- d. review and recommend revisions to the transfer capability, transmission reserve margin (TRM) and capacity benefit margin (CBM) criteria and calculations of the investor-owned utilities for consistency with SERC and NERC established criteria as well as good utility practice; recommend transfer capability, TRM and CBM criteria or methodologies which would be applied consistently in the Process, adjusted as appropriate, to accommodate local conditions that merit special consideration;
- e. direct the activities of and provide oversight for the PWG;
- f. nominate and approve the PWG members. Duke, Progress, ElectricCities and the electric cooperatives shall each nominate at least one and up to three members to the PWG by written notice to the OSC. The OSC shall approve the nominations of the PWG members so long as they materially meet the membership guidelines described in the PWG Scope Document;
- g. Select the independent third-party (ITP) consultant and provide oversight direction of the work of the ITP consultant;
- h. Develop an annual business plan with an associated budget each year and monitor budget versus actual expenditures throughout the year;
- i. Keep the NCUC and non-LSE stakeholders informed concerning the work undertaken by this process;

Subcommittees

The OSC has the authority to form subcommittees as necessary. A scope document for each subcommittee shall be developed and approved by the OSC before the subcommittee begins its work.

The Planning Working Group will be a standing subcommittee that works under the direction of the OSC and will operate within the parameters as identified within its defined scope of work (*e.g.*, its scope document).

Membership

The OSC will consist of eight (8) appointed members plus ex officio members as approved by the OSC. Duke, Progress, .ElectricCities and the electric cooperatives shall each appoint two (2) members to the OSC and may each appoint up to two (2) alternate members, all of whose qualifications shall be materially consistent with the guidelines for OSC membership set forth in this section. The electric cooperatives and municipalities' industry segments shall establish rules for electing and replacing its representatives to the OSC consistent with the guidelines provided in this section. The ITP shall be an ex officio member of the OSC.

1. OSC & ITP Membership Guidelines

- a) Possess a broad knowledge of transmission grid planning, system operations and resource planning including the following:
 - i) Understanding of the process for load serving entities to acquire resources and request proposals for capacity and energy
- b) Broad understanding of electric industry and utility issues
- c) Possess a reasonable understanding of NERC and SERC Planning Standards and good utility practices
- d) Possess a reasonable understanding of FERC regulations and OATT requirements including the following:
 - i) FERC Standards of Conduct and Code of Conduct
 - ii) Processes for Requesting Transmission Service
 - iii) Processes for Requesting Interconnection Service
- e) Possess a reasonable understanding of interregional study processes and results
- f) Possess a reasonable understanding of transfer capability, TRM, CBM principles
- g) Possess a reasonable understanding of the state regulatory process including the following:
 - i) Integrated Resource Plans (IRP) process
 - ii) Transmission siting approval process
- h) Ability to comply with Standards of Conduct requirements stated in the Participation Agreement/no involvement in market activities
- i) Authority to speak and vote on their company's behalf

2. Changes in OSC Membership

Changes in the OSC membership may be made by the industry segment making the change providing written notification of the change to the OSC chair. The industry segment making the change is responsible for providing a replacement representative from their industry segment.

Membership Terms

An OSC member and their alternate will serve on the OSC until replaced through either the election or appointment process in place for their representative segment or until the member or alternate resigns.

The OSC members shall periodically evaluate the performance of the ITP and shall determine if the contract with the consultant should be renewed or if another consultant should be selected.

OSC Committee Structure

The OSC shall select its chair and vice chair from among its members. The term of office for these positions is two years. The officer positions will be rotated among the two participating investor-owned utilities, electric membership cooperatives and municipalities segments (*e.g.*, officer rotation would occur every two years among the four groups).

Committee Chair

In addition to the duties, rights, and privileges discussed elsewhere in this document, the OSC chair has the responsibility to:

- Provide general supervision of OSC activities
- Schedule all OSC meetings
- Prepare, distribute and post notices of OSC meetings, ensure that meeting minutes are recorded, and distribute meeting minutes, as appropriate
- Develop OSC agendas, and rule on any deviation, addition, or deletion from a published agenda
- Preside at OSC meetings
- Manage the progress of all OSC meetings, including the nature and length of discussion, recognition of speakers, motions, and voting
- Act as spokesperson for the OSC
- Report on OSC activities to the NCUC
- Maintain a record of all OSC proceedings, including responses, voting records and correspondence
- Maintain OSC membership records
- Perform other duties as directed by consensus of the OSC members

Committee Vice Chair

The OSC vice chair shall act as the OSC chair if requested by the chair (for brief periods of time) or if the chair, is absent or unable to perform the duties of the chair. If the chair is permanently unable to perform his or her duties, the OSC vice chair shall act as the chair until the OSC selects a new chair.

The vice-chair has the responsibility to:

- Assist the OSC chair
- Perform duties of the OSC chair when the OSC cannot otherwise support these duties

Treasurer

The OSC shall select a Treasurer. The Treasurer may be one of the NCTPC Participants or this function may be outsourced to a third-party. The OSC is authorized to make changes in the designation of the Treasurer as conditions warrant.

The Treasurer has responsibility to:

- Receive and disburse funds
- Periodically disclose all receipts and disbursements to each NCTPC Participant

Committee Members

OSC members have the responsibility to:

- Represent their industry segment
- Provide knowledge and expertise representative of their industry segment
- Provide their industry segment feedback on OSC activities
- Respond promptly to all OSC requests for reviews, comments, and voting
- Arrange for alternates to attend and vote at OSC meetings in their absence
- Respond promptly to all requests regarding scheduling OSC meetings

Independent Third-Party (ITP) Consultant

The ITP has the following general responsibilities:

- Serve as a facilitator for the group by working to bring consensus within the group
- Provide transmission planning expertise
- Provide an independent third-party view
- Assist the Chair and Vice-Chair in the performance of their duties as requested

The ITP also provides the leadership role in developing the Enhanced Transmission Access Planning Process, subject to the oversight of the OSC and normal regulatory oversight. In fulfilling these duties the ITP performs the following:

- Develops the mechanisms to solicit and obtain the input of all TAG participants related to the Enhanced Transmission Access Planning Process.
- Takes all reasonable action to ensure that no member or non-member marketing / brokering organizations receive preferential treatment or achieve competitive advantage through access to transmission-related information.
- Ensures that confidentiality of information and Standards of Conduct requirements are being adhered to within the OSC process.

Meeting Procedures

Meetings

Meetings of the OSC shall be open to OSC members and their alternates, the ITP Member, representatives from voting and authorized non-voting LSEs, approved guests as discussed below, and members of the PWG. Representatives from non-voting LSEs will be authorized to attend these meetings under the following conditions: the LSE serves load within the boundaries of the NCTPC Participants; the LSE has signed the necessary confidentiality agreements and meets FERC's Code of Conduct requirements; and the LSE has provided appropriate prior notice of its intention of sending a representative(s) to a particular meeting.

Only voting members or their alternates may act on items before the OSC.

In the absence of specific provisions in this scope document, the OSC shall conduct its meetings guided by the most recent edition of *Robert's Rules of Order, Newly Revised*.

Quorum

A quorum requires one voting member or their alternate from each of the industry segments represented in this process (e.g., a total of four voting members must be present with one member being from Duke, Progress, ElectricCities, and the electric cooperatives).

Proxy

If an OSC voting member or their alternate is not able to participate in a particular meeting, the OSC voting member, or their alternate may assign their vote to another OSC voting member or their alternate. A written notification of this assignment of the voting privileges must either be provided to the OSC Chair before the meeting or the voting member or alternate that has been given the proxy must provide such written confirmation of this assignment at the beginning of the meeting where the assignment would apply.

Voting

Voting requires a quorum and may take place during formal meetings or may take place through electronic means.

The members of the OSC shall use reasonable good faith efforts to reach decisions via consensus. However, in the event that the OSC is unable to reach a decision by consensus then a decision will be reached by majority vote. When voting is conducted, each of the OSC members (or their designated alternatives) except the ex officio members shall have one vote. In the event of a tie vote, the ITP Member shall be entitled to one vote to break the tie. However, the investor-owned utilities shall not be bound by decisions of the OSC to the extent the investor-owned utilities reasonably determine such decisions, as related to reliability planning, are inconsistent with good utility practice or SERC and NERC established criteria or least-cost integrated resource planning principles. The investor-owned utilities shall each retain decision making authority for such decisions, related to reliability, consistent with their statutory responsibilities for reliability, subject to normal regulatory oversight.

It is anticipated that all parties will abide by the decisions of the OSC. However, any NCTPC Participant may request that the North Carolina Utilities Commission Public Staff ("Public Staff") render a non-binding opinion with regard to any disputed decision of the OSC and any decision of the investor-owned utility superseding a decision by the OSC ("Disputed Decision"). Should the parties be unable to resolve the Disputed Decision through such facilitation by the Public Staff, any NCTPC Participant may seek review of the Disputed Decision by any regulatory or judicial body with jurisdiction over the subject matter of the Disputed Decision.

Each individual member's vote for each action taken shall be included in the minutes of each meeting.

Guests

Guests are permitted to attend OSC meetings with prior approval. If a member of the OSC (or their alternate) would like to invite a guest to a particular OSC meeting, the member/alternate shall submit this request to the Chair of the OSC. The OSC member/alternate shall identify the name and his or her affiliation in the request to the OSC Chair. The OSC Chair may approve the request on their own motion or after consultation with the OSC membership.