

February 9, 2024

Subject: Collaborative Study on Interregional Power Transfer - Seeking Your Input

Dear Registered Entity,

We are reaching out to highlight a critical initiative that the North American Electric Reliability Corporation (NERC), in consultation with our six Regional Entities, is currently undertaking and to invite your participation in a comprehensive study of interregional transfer capability across North America's interconnected transmission systems. This study, the Interregional Transfer Capability Study (ITCS) was congressionally mandated in the Fiscal Responsibility Act of 2023. The study must be submitted to the Federal Energy Regulatory Commission (FERC) by December 2, 2024.

The study focuses on three primary goals:

- 1. Evaluating the current power transfer capability between each pair of neighboring transmission planning regions.
- 2. Recommending prudent additions to the total transfer capability that are reasonably expected to help maintain reliability in the future.
- 3. Proposing recommendations to meet and maintain the current total transfer capability as well as total transfer capability enhanced by prudent additional recommendations.

Active engagement with our stakeholders is key to the success of this project, which is why we are inviting you – transmitting utilities and interested stakeholders – to share your insights, feedback, and inquiries related to the study. You may provide input at any time through your Regional Entity – Midwest Reliability Organization, Northeast Power Coordinating Council, WECC, SERC Regional Corporation, Texas RE and ReliabilityFirst as well as directly to NERC via <a href="mailto:email">email</a>.

Your active participation and insights will be invaluable in ensuring the reliability and resiliency of North America's transfer capabilities. For more information on the study and study timeline, you can access the <a href="NERC ITCS webpage">NERC ITCS webpage</a>.

To date, we have made considerable progress. The team has outlined the study's framework and scope, engaged technical consultants to support the planning and execution, initiated the process of data collection, and collected input and feedback on various aspects of the study with the ITCS Advisory Group, which consists of industry leaders and experts from public and private organizations across the United States and Canada to provide their valuable insights and expertise in guiding our efforts.

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We have also engaged with technical staff from the Department of Energy and selected a software vendor for data analysis. Currently, we are in the process of collecting data to calculate the current total transfer capability between each pair of neighboring transmission planning regions. The next steps include identifying system conditions that might lead to energy shortfalls and determining prudent additions to interregional transfer capability.

We look forward to your participation and plan on contacting you again in Quarter 3 to keep you apprised of the project's progress and as a reminder that your input is valuable.

Thank you in advance for your time and input.

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Regards,

John Moura

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