

NATF RESTORE Program Frequently Asked Questions (FAQ)

1. What is RESTORE and where did the name come from?

The NATF's Regional Equipment Sharing for Transmission Outage Restoration (RESTORE) Program is designed to enhance the resiliency and reliability of the energy grid by identifying sources and facilitating replacement of critical equipment following disastrous events.

The RESTORE program identifies an inventory of designated spare equipment to be called upon only after a particular type of "triggering event" (*see question 10 for definition*) has occurred. The RESTORE Sharing Agreement defines each participating utility's contribution requirements and the process for requesting and obtaining equipment. Terms and definitions of the Sharing Agreement establish a firm commitment and a reliable resource with flexibility for responding to critical events and the logistical realities of utility operations.

2. Who can participate in RESTORE?

Any transmission owning utility that is a member of the NATF and meets the requirements of the RESTORE Sharing Agreement may become a RESTORE participant.

To participate in RESTORE, a party signs both (1) a joinder agreement to the RESTORE Sharing Agreement that provides the overall terms and conditions for the program and (2) an addendum to the participant's NATF member agreement that covers the program services.

3. Is participation in RESTORE limited to any specific geographic region?

No. With membership already spanning from Florida to Michigan, the RESTORE agreements do not consider a participant's location and are open to any NATF member that meets the equipment qualifications.

4. Does RESTORE take the place of EEI STEP or any other equipment-sharing program?

No. The RESTORE program is supplemental to, and not intended to be a replacement for, any current industry programs, such as EEI's Spare Transformer Equipment Program (STEP) or Grid Assurance.

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5. Does a utility have to participate in EEI STEP to join RESTORE?

No. Utilities are not required to participate in EEI STEP to join RESTORE.

6. How is each participant's level of commitment determined?

The total amount of equipment designated for inclusion in the program (from all participants, not each individual participant) will be based on the greatest need that would arise from the simultaneous loss of any single participant's five most-critical substations in each voltage class.

The recovery need will be determined by what equipment the affected participant would require, after exhausting its own internal resources, to restore the grid to a stable condition (i.e., serving all load).

Each participating utility will designate specific equipment to be included within the scope of the agreement, with each participant still hosting its designated equipment at its own facilities.

Participants can use designated spare equipment for internal needs before making designated equipment available for acquisition by another affected utility.

7. Is a participant required to purchase new equipment to participate in RESTORE?

Participants are not obligated to purchase equipment to begin participation in RESTORE but are responsible for acquiring (if necessary), storing, and maintaining any equipment committed to the RESTORE program.

8. Who manages the equipment committed to the RESTORE program?

Each utility that participates in RESTORE is responsible for managing (i.e., acquiring, storing, and maintaining) any equipment that it commits to the program and hosting the designated equipment at its own facilities.

9. What if equipment a participant designates for RESTORE fails or becomes damaged?

To ensure designated equipment is available from the reserve when needed, the equipment must be maintained in accordance with best practices, and replaced within 18 months if used, sold, or retired by the utility. If a utility complies with this "best practices" requirement to meet its designated equipment commitment, it may continue participation in RESTORE while awaiting any equipment replacement.

10. What types of events are covered under the program that qualify for sharing equipment among the RESTORE participants?

The RESTORE Sharing Agreement includes a definition of a "triggering event" (*see definition below*). If a participant feels it has had a qualifying triggering event, it will notify the Operating Committee and request support from RESTORE. Once the Operating Committee validates the event, the Technical Committee then submits a recommendation for potential equipment

exchanges between sellers and buyers from the applicable voltage classes to the Operating Committee for approval.

Triggering Event: The event must be catastrophic in nature, creating an urgent grid need in which, for an extended period, the affected utility loses its ability to serve significant load or is at risk of losing that ability, or otherwise cannot maintain grid stability.

11. What are participant responsibilities in the event of a triggering event?

When a triggering event occurs, each participant may be required to sell the specified equipment within the applicable class to affected utilities as needed to recover from the event.

A playbook to assist with the logistics of moving the transformers among the participants has been developed.

12. If a triggering event occurs and spare equipment is transferred under the program, how is the cost of the equipment determined?

The goal of the RESTORE program is to make the contributing party “whole” for any equipment provided to another participant. As a result, the RESTORE Sharing Agreement provides for affected participants (buyers) to pay replacement cost for any equipment obtained from another participant and provides for the buyer and seller to work out acceptable arrangements for the purchase and transfer of the equipment.

13. How are decisions made with respect to the RESTORE program?

RESTORE has adopted a governing committee structure that includes an Operating Committee and Technical Committee as provided under the RESTORE Sharing Agreement. Each participant will be represented on the committees, with a rotation among participant representatives to serve a term as chair. The Operating Committee can propose and vote on amendments to the agreement and consider variances for individual circumstances.

14. Are any regulatory approvals needed?

Participants will commit to and be responsible for obtaining necessary regulatory approvals within a specified timeframe. Current participants have obtained a declaratory order (163 FERC ¶ 61,005 (2018)) from FERC regarding pre-authorization to transfer equipment.

15. Is there any cost to participate in RESTORE (other than the responsibility referenced in question 7)?

Yes. The NATF provides website services, secure databases, and general administration for the program with the costs allocated only to NATF members that participate in RESTORE. Those costs associated with the administration and operation of RESTORE are currently split equally among the RESTORE participants and are included in the participating NATF member’s annual invoice. New participants will pay a one-time initiation fee in addition to its annual allocated share of these costs.

16. Who are the current RESTORE participants and what are the transformer voltage classes?

This information is available to current NATF members on the NATF member portal (TransPort).

17. Can other voltage classes be added to the RESTORE Program?

Yes. A prospective new participant may request that RESTORE consider additional voltage classes for its participation. If requested, the RESTORE members will be asked if they can and would participate in the additional class(es). Typically, if three (3) or more RESTORE members request to participate in the new class, the RESTORE program would consider establishing the class.

For additional information please email info@natf.net or call 704-945-1900.