

Base Plan Funding 125% Condition and Regional Solution Waiver Process?

CAWG Meeting
February 21, 2007

Attachment J Base Plan Funding Eligibility Conditions

- **Attachment J**
 - Network Upgrades, with a cost that exceed \$100,000, associated with new or changed Designated Resources shall be classified as Base Plan Upgrades if the Designated Resource or the associated upgrades (as applicable) **meets each of the following conditions:**
 - The Transmission Customer's commitment to the Designated Resource has a duration of at least five years;
 - In the first year the Designated Resource is planned to be used by the Transmission Customer, the accredited capacity of the Transmission Customer's existing Designated Resources plus the lesser of: (a) the planned maximum net dependable capacity applicable to the Transmission Customer or (b) the requested capacity; **shall not exceed 125% of the Transmission Customer's projected system peak responsibility determined pursuant to SPP Criteria 2;** and
 - The cost of Network Upgrades associated with the new or changed Designated Resource is less than or equal to \$180,000/MW times the lesser of: (a) the planned maximum net dependable capacity applicable to the Transmission Customer or (b) the requested capacity (the "Safe Harbor Cost Limit").

125% Reserve Margin Condition

- In the first year the DR “is planned” to be used by the TC, the accredited capacity of the TC’s existing DRs (comment/for that same year) “plus” the lesser of: (a) the planned maximum net dependable capacity applicable to the TC, or (b) the requested capacity shall not exceed 125% of the TC’s “projected” system peak responsibility determined pursuant to SPP Criteria 2 – Capacity Margin.

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125% Condition – how it is applied “today”

- If a Transmission Service request is made via Ag. Study process, and if the reserve margin for the 1st year of the service exceeds 125% but meets all of conditions, customer is “ineligible” for “any” base plan funding – NOT the incremental amount above the 125%.
- Clarification
- Intent
- Any needed modifications?

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Implementation Issues/Questions?

- Waiver Process and Procedures For “Regional Solutions” directed by the SPP RTO via the Aggregate Study Process
 - Should the burden and risk of SPP approval process and disputes be the customers
 - At what point in the Ag. Process, can/should the SPP RTO insert an alternative regional solution into the process.
 - System Impact - Yes
 - Early in Facilities Study - Yes
 - End of Facilities Study - Maybe
 - “After the Final Ag. Facilities study is posted????” -No

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Attachment Z – AG Discussion

3. Aggregate Impact Study

- At the close of the Open Season, all transmission service requests subject to an ASISA will be included in the ASIS. This study shall be done in accordance with Section 19. The power flow models shall be developed for each season for the period from the earliest start of service to the latest end of service for the applicable requests. The models will include all other applicable existing reservations having equal or greater queue priority including prospective renewals of existing service having a reservation priority pursuant to Section 2.2. System constraints will be identified and appropriate upgrades determined during the ASIS. **The Transmission Provider shall determine the upgrades required to reliably provide all of the requested service. SPP shall also perform a regional review of the required upgrades to determine if alternative solutions would reduce overall cost to customers. The Transmission Provider shall estimate the total cost of these upgrades.**

4. Aggregate Facilities Study

- The Transmission Provider shall perform an Aggregate Facilities Study including the requests of all customers who have executed an Aggregate Facilities Study Agreement (AFSA). The first phase of the facilities study process shall consist of a revision of the impact study to reflect the withdrawal of requests for which an AFSA was not executed, if any. The Aggregate Facilities Study shall be done in accordance with Section 19 of the Tariff. **The Transmission Provider, in conjunction with the applicable Transmission Owners, shall determine the necessary cost and lead-time for construction of each upgrade and the estimated cost of service for each request. The Transmission Provider, in conjunction with the applicable Transmission Owners, shall determine the optimal set of solutions to reduce the overall costs for the study group and reliably provide the requested service in a timely manner.**

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Transmission Expansion Cost Allocation Waiver Requirements

- Waiver requirements
 - Customer must request the waiver and give supporting documentation – staff will forward to MOPC and BOD
 - CAWG “may” discuss during normal meetings
 - SPP staff will review the waiver request
 - SPP staff will then present the waiver request and its recommendation to the MOPC
 - MOPC will pass the waiver, the SPP staff recommendation and its recommendation to the BOD
 - SPP BOD will decide on the waiver request
 - The customer has the right to present their position at all levels

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Next Steps/Action Items?

- Modify/Clarify
 - Attachment O, J, Z
 - Section 19.2 Facility Study Modifications
- Modify Waiver Process for Regional Solutions????

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