



GI BACKLOG MITIGATION PLAN

SCRIPT APRIL 30, 2021

*Helping our members work together to keep
the lights on... today and in the future.*



SouthwestPowerPool



SPPorg



southwest-power-pool

WHAT WE WANT TO ACCOMPLISH TODAY

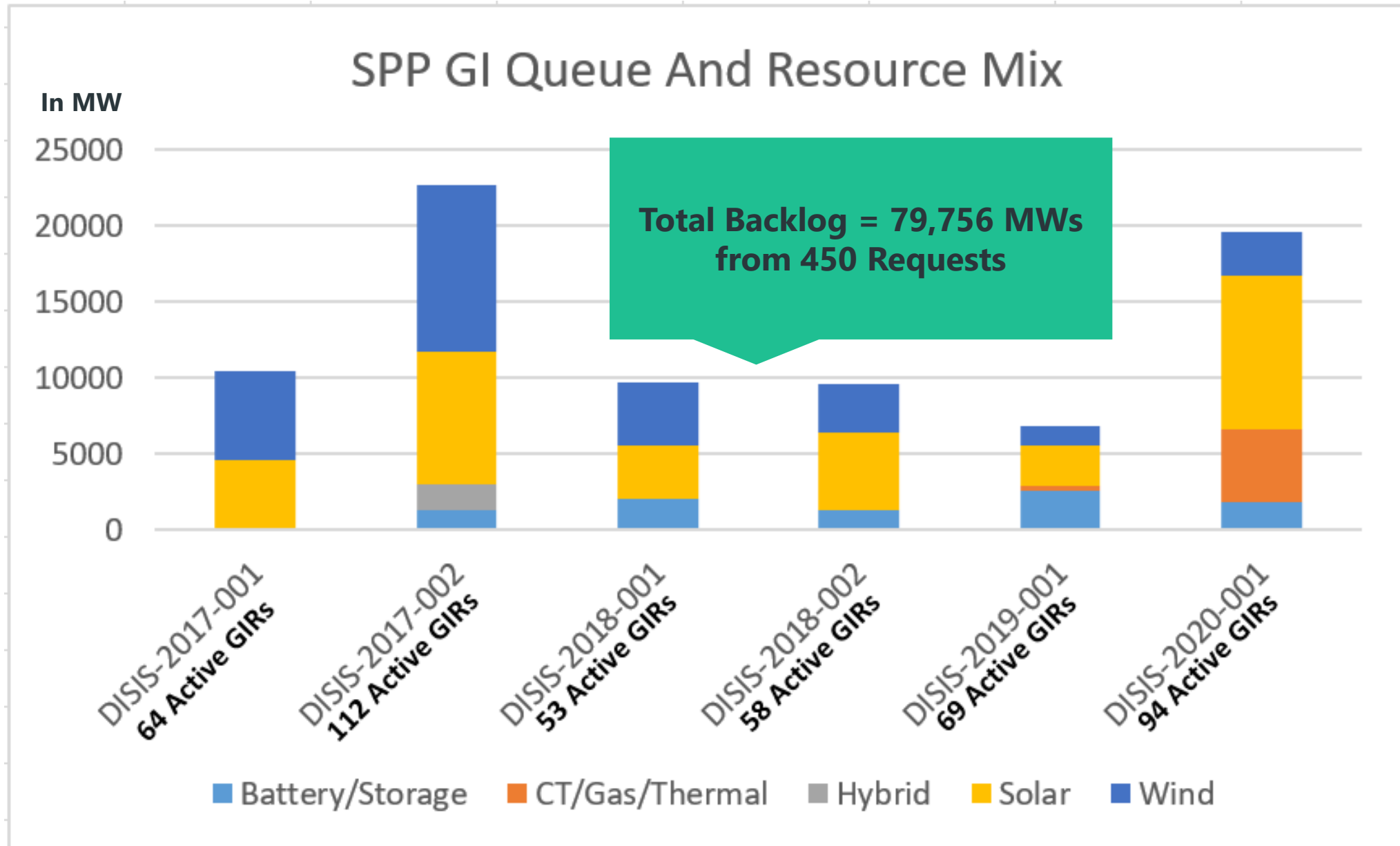
- Present revised proposal based on feedback received to date
- Solicit feedback from SCRIPT
- Determine level of support on key decisions
 - In-Meeting Survey



CURRENT GI REQUEST BACKLOG

ACTIVE GI STUDY QUEUE

As of 4/15/2021

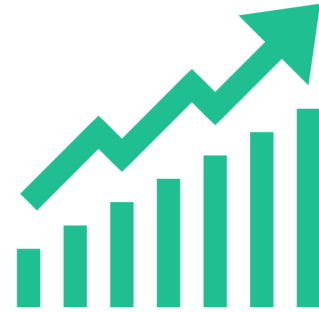


GI REQUEST BACKLOG MITIGATION STRATEGIES

BACKLOG MITIGATION STRATEGIES



1. Reduce restudies through development milestones



2. Increase financial commitments



3. Simplify and reduce study timelines

1. REDUCE RESTUDIES THROUGH DEVELOPMENT MILESTONES



DEVELOPMENT MILESTONES



Accelerate Existing Development Milestones (Attachment V, Section 11.3)

- Contract for Fuel
- Contract for Cooling Water
- Contract for Engineering, Procurement, or Construction
- Contract for Sale of Energy or Capacity
- Inclusion in State Resource Plan
- Designated Resource Qualification
- Application for Air, Water, or Land Use Permit

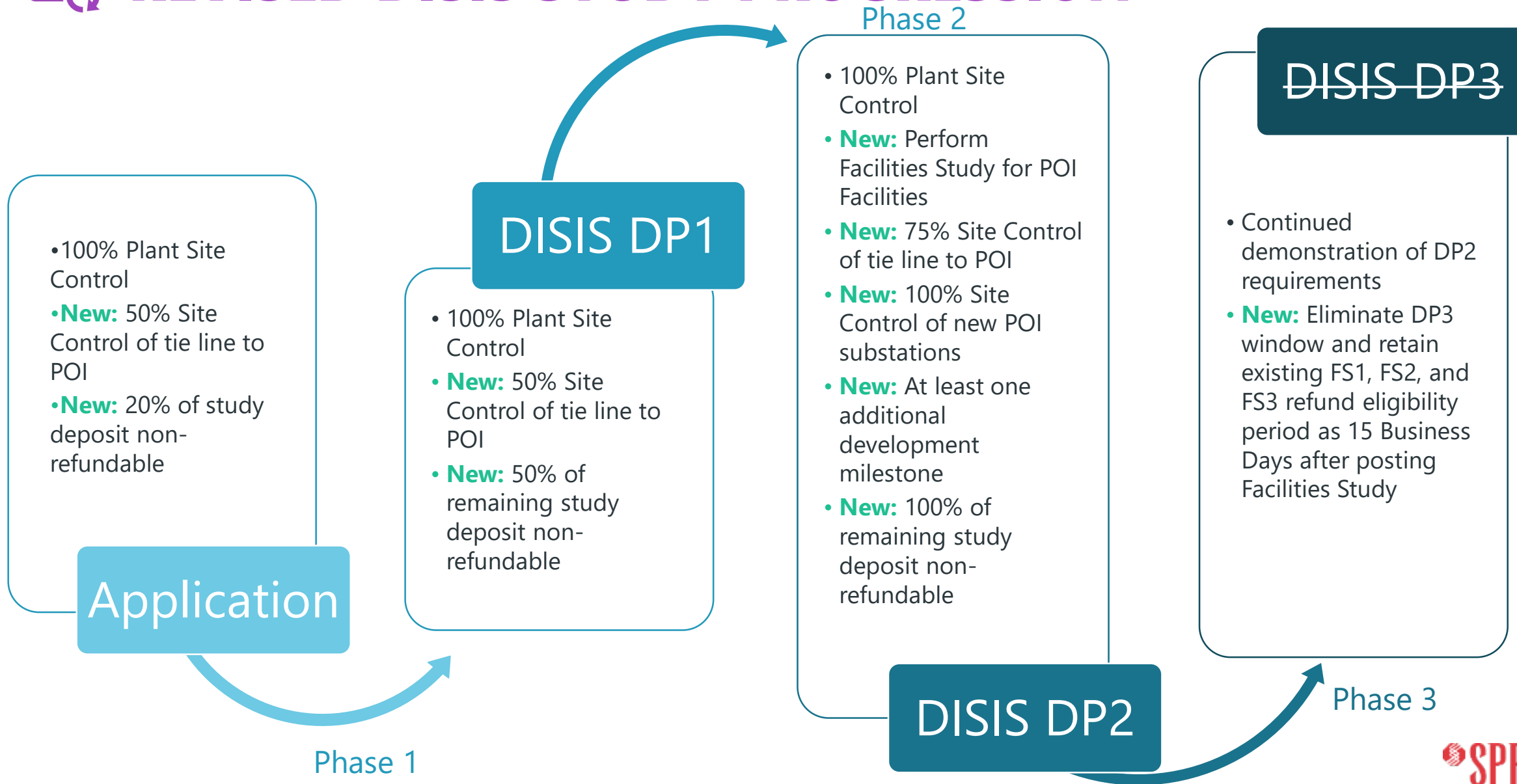


New Development Milestones

- Site Control for Generator's High Voltage Tie Line (not including utility owned land)
- Site Control for New POI Substations (not including utility owned land)
- Interim LGIA Accepted at FERC
- Pre-Confirmed or Confirmed Long-Term TSR
- Final Detailed Plant Design and EMT Model



REVISED DISIS STUDY PROGRESSION





STRATEGY 1: KEY DECISIONS

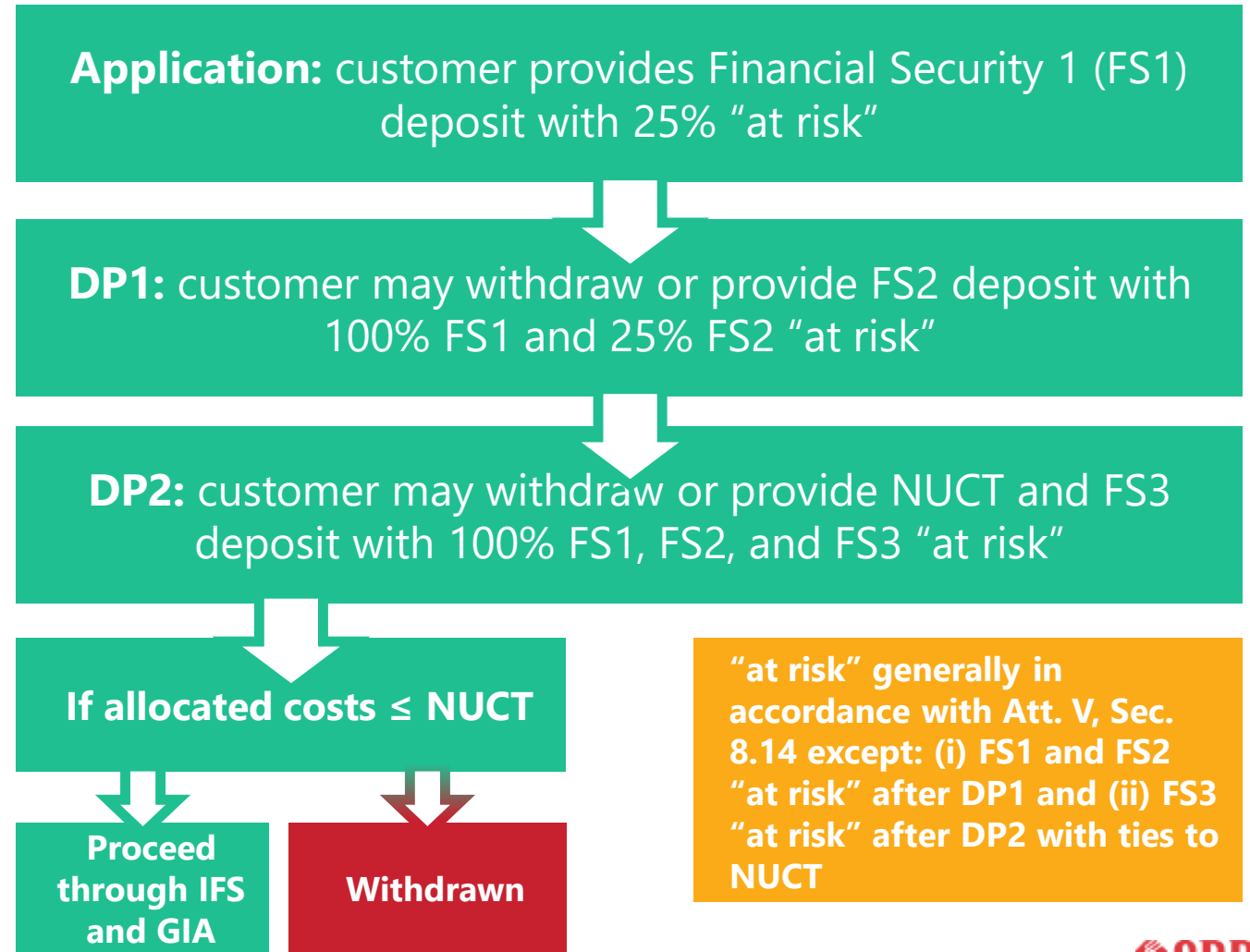
- Tie Line and POI Site Control Requirements
- Phase 2 Facilities Study for POI Facilities
- Phase 2 Development Milestone Demonstration
- Progressively non-refundable study deposits

2. INCREASE FINANCIAL COMMITMENTS



INCREASE FINANCIAL COMMITMENTS

- FS1 = \$4K/MW
- FS2 = Greater of (a) 10% of FS2 cost factor or (b) \$4K/MW
- FS3 = Greater of (a) 20% of total upgrade costs or (b) 20% of Network Upgrade Cost Tolerance (NUCT)
- FS1, FS2, and FS3 remain as "true-ups" to each other





STRATEGY 2: KEY DECISIONS

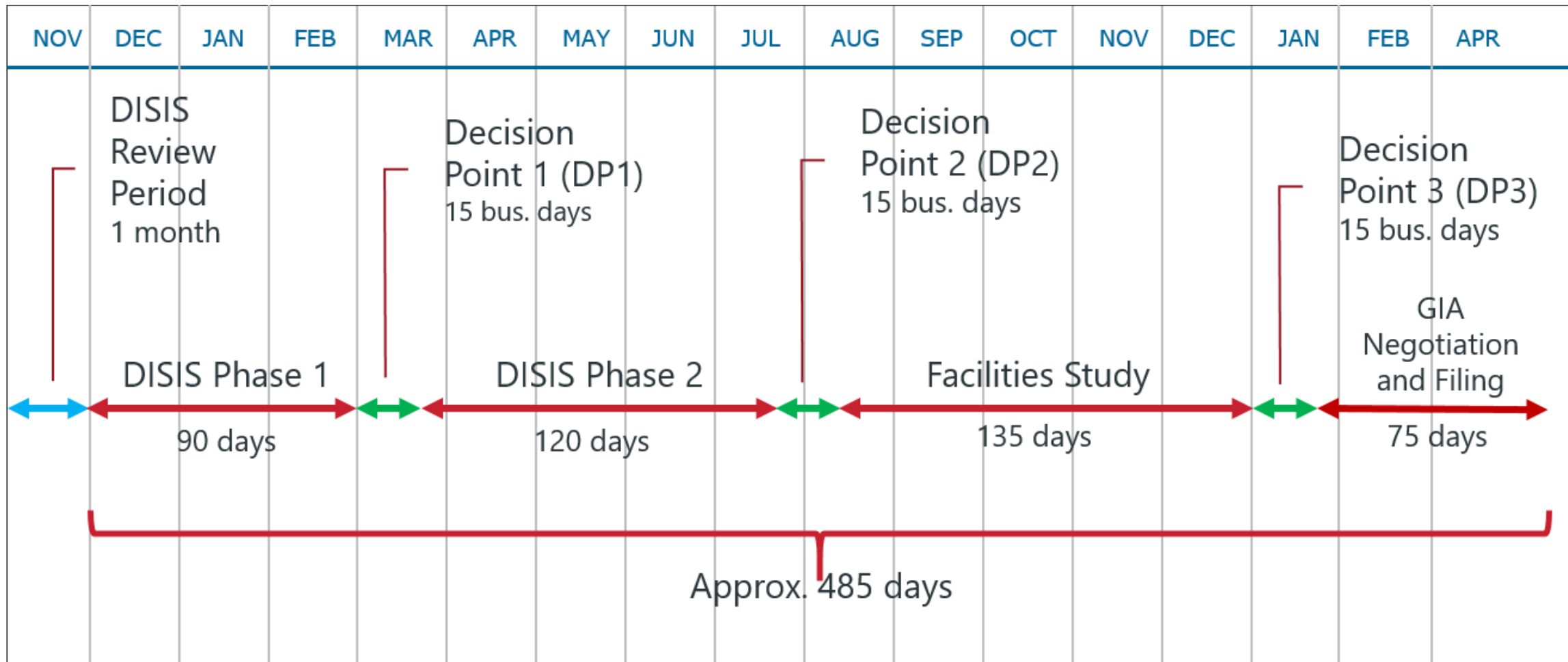
- FS1: Increase from \$2K/MW to \$4K/MW and have 25% "at risk" at start of Phase 1
- FS2: Increase minimum from \$2K/MW to \$4K/MW and have 25% "at-risk" at start of Phase 2
- DP2: IC required to provide NUCT with automatic withdrawal if upgrade costs exceed NUCT after DP2
- FS3: Modified to incorporate greater of 20% of upgrade costs or 20% of NUCT

3. SIMPLIFY AND REDUCE STUDY TIME



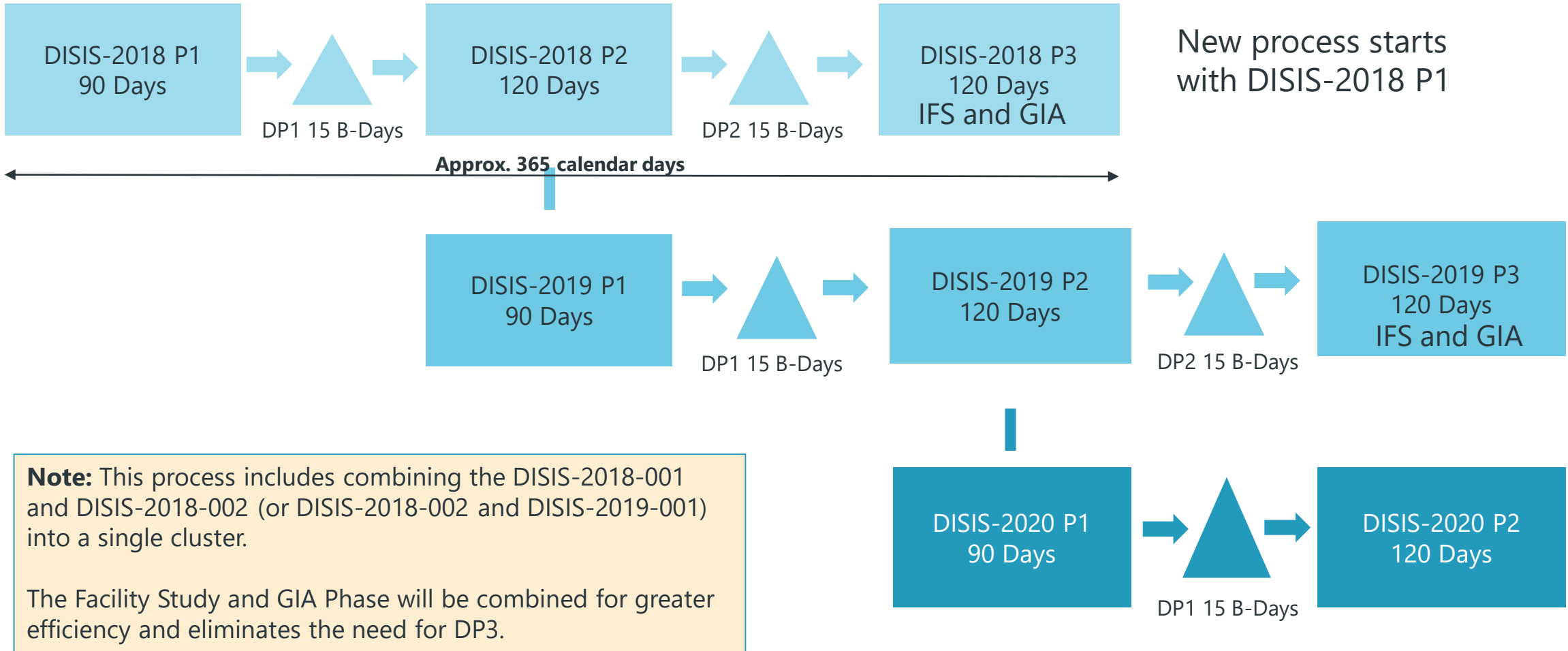


GI PROCESS TARIFF TIMELINE (CURRENT)



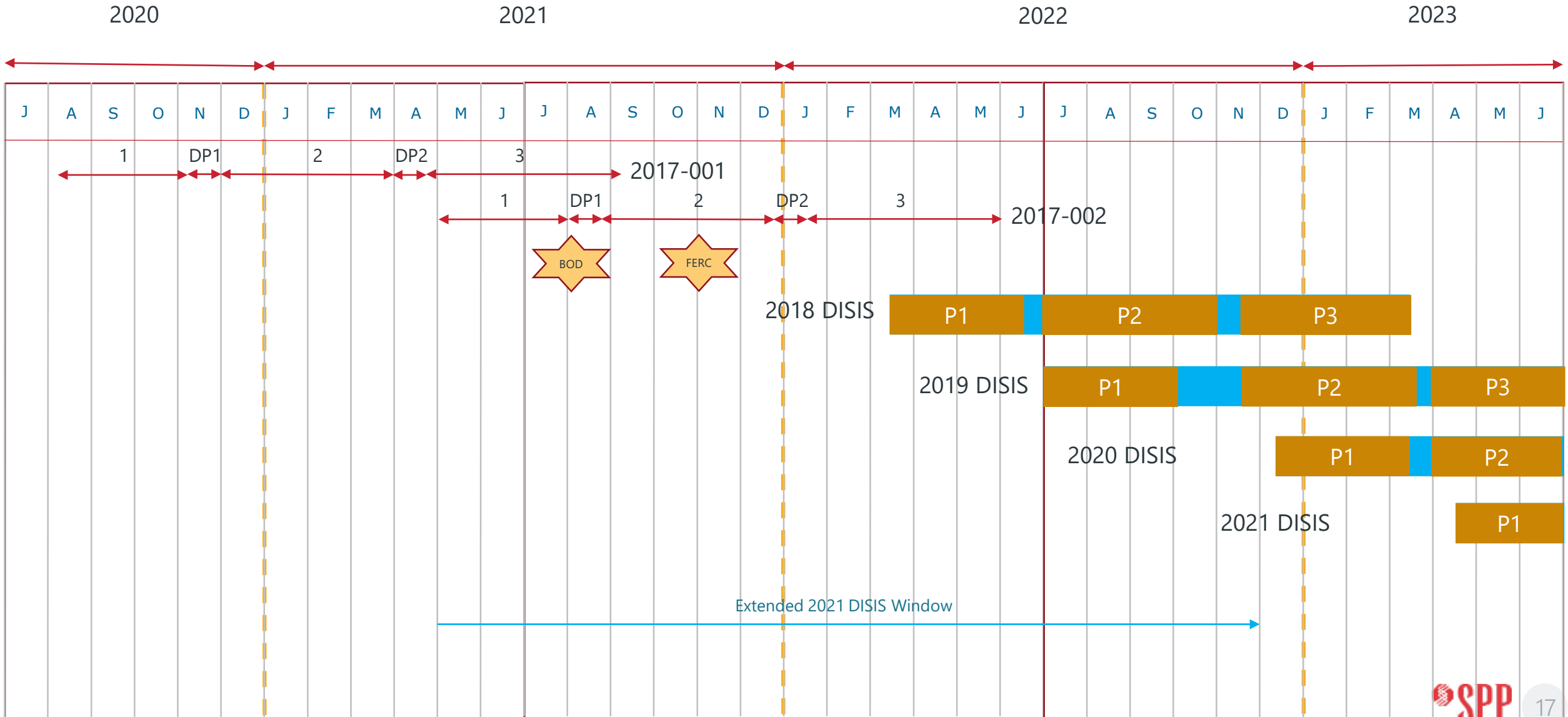
This timeline assumes no restudies throughout the Definitive Interconnection System Impact Study (DISIS)

PARALLEL DISIS CLUSTER PROCESSING



Each DISIS Cluster Processed in 365 days (or less) based on expected efficiencies from model and group reductions.

FULL TRANSITIONAL DISIS TIMELINE



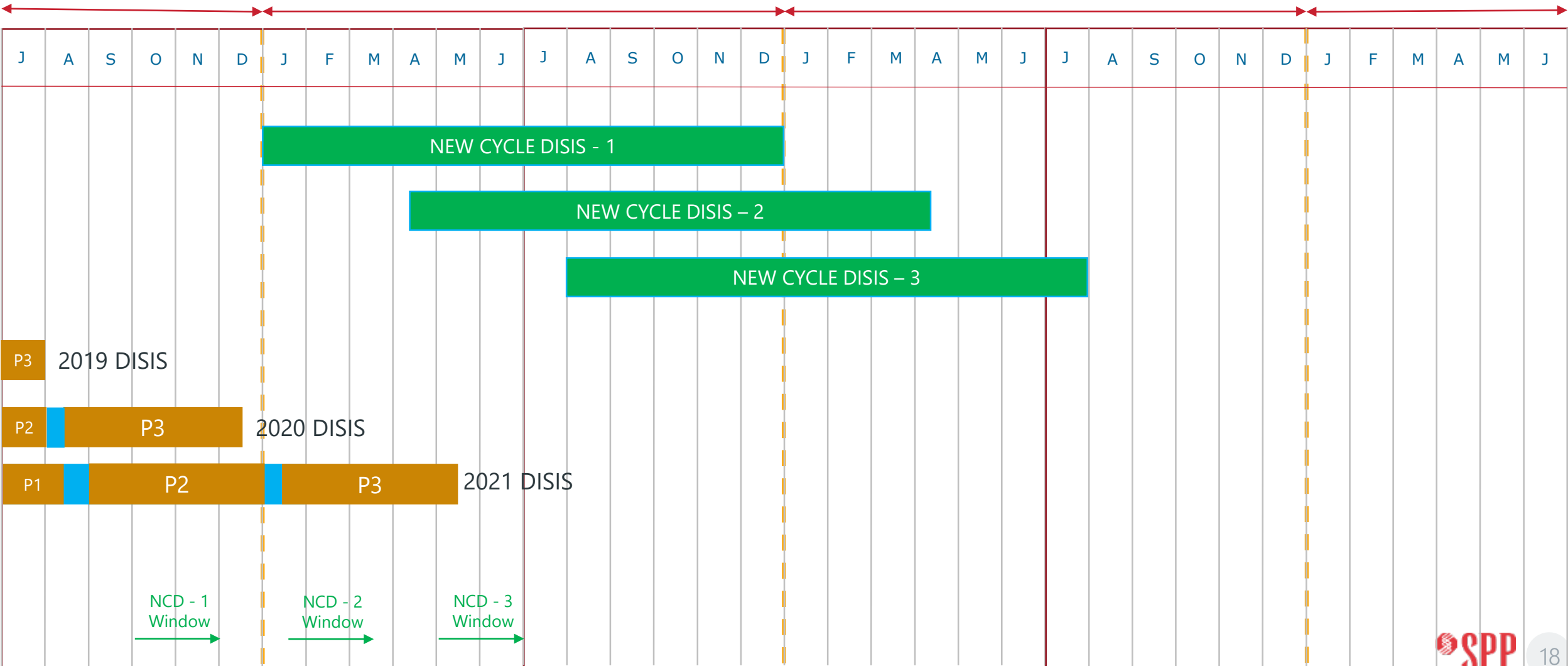
FULL TRANSITIONAL DISIS TIMELINE

2023

2024

2025

2026



STRATEGY 3: KEY DECISIONS

- Combine clusters 2018-001 and 2018-002 (or 2018-002 and 2019-001)
- Parallel processing of backlogged clusters
- Delay start of Phase 2 of subsequent cluster until the beginning of Phase 3 of prior cluster
- Pause GI Queue by leaving open submission window for 2022-001 until start of Phase 1 for DISIS-2021-001
- Support for additional tools and resources (consultants/staff) identified as necessary to implement these proposals

SUMMARY & NEXT STEPS

SUMMARY

- SCRIPT is developing **long-term** recommendations for planning, including GI.
- In the **near-term**, the current backlog of GI requests needs an interim solution
- This proposal would implement:
 - new requirements and measures of readiness
 - firmer financial commitments
 - streamlined studies
- This proposal should:
 - Reduce the *current* GI backlog
 - Clear a path for *future* improvements



NEXT STEPS

- **April:** GIUF and SCRIPT Review and Feedback
- **May:**
 - Informal FERC conversations
 - SCRIPT Endorsement
- **July:**
 - Membership/BOD Review of Plan
 - Begin Revision Request Process
- **Q4:** Make requisite FERC filings



SCRIPT Considers for Approval at 5/28 Meeting

SCRIPT develops for consideration later in 2021



1. Reduce restudies through development milestones

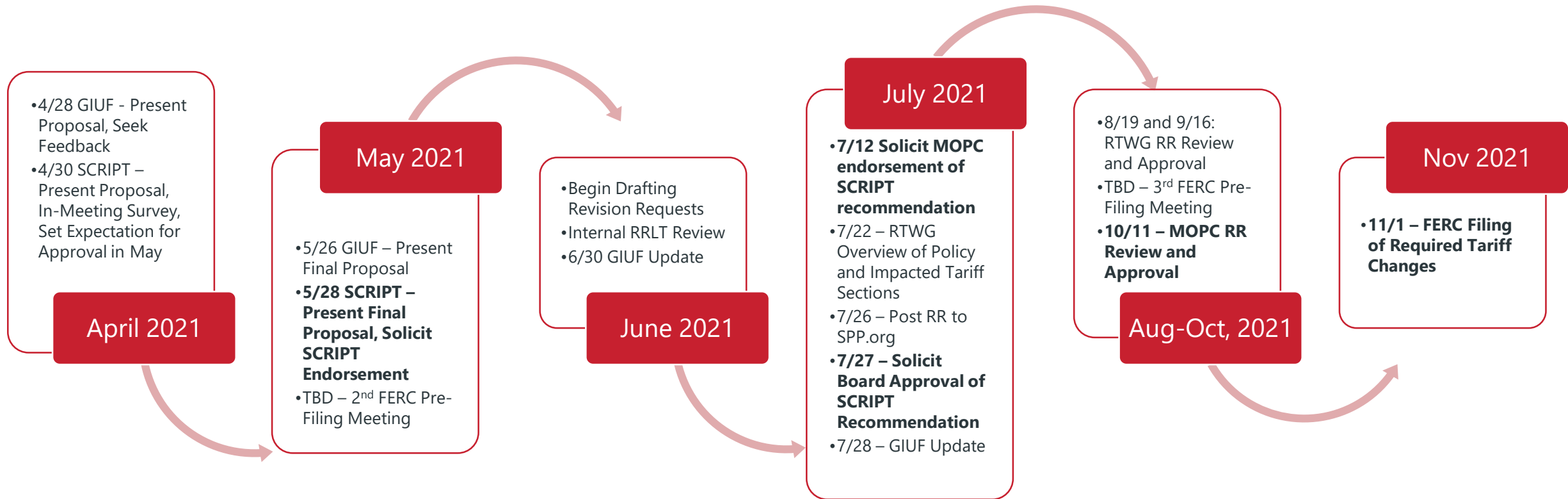
2. Increase financial commitments

3. Simplify and reduce study timelines



4. Provide a backstop to ensure resource adequacy

BACKLOG CLEARING PROPOSAL





DAVID KELLEY

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