

Cost Allocation of Designated Wind Resources

Presentation to SPP RSC
May 28, 2008 (Slides 1-4)
Updates from April CAWG Meeting
June 16, 2008 (Slide 5)
Update from the May CAWG Meeting

Remaining Two Proposals

Modified Compromise

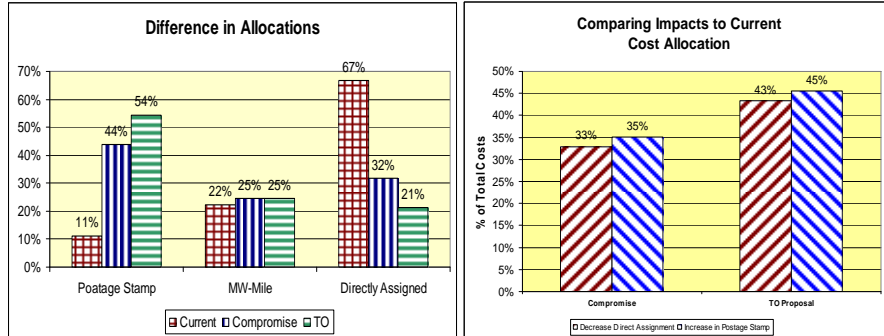
- **Safe Harbor**
 - Uses Requested Transmission Capacity
 - Applies to all costs assigned to transmission service request
- **Sink Zone Costs**
 - 1/3 Postage Stamp
 - 2/3 MW-Mile
- **Non-Sink Zone Costs**
 - 1/2 Postage Stamp
 - 1/2 Direct Assignment
- **Limits**
 - Wind DR MW of Transmission Service \leq 20% (Forecasted Summer Peak)
- **Waivers**
 - Waivers will be considered
- **Caps**
 - **Possibly** a limit of 1/3 total cost directly assigned to requestor, with the excess going to the postage stamp rate.

Transmission Owners

- **Safe Harbor**
 - Uses Requested Transmission Capacity
 - Applies to all costs assigned to transmission service request
- **Sink Zone Costs**
 - 1/3 Postage Stamp
 - 2/3 MW-Mile
- **Non-Sink Zone Costs**
 - 2/3 Postage Stamp
 - 1/3 Direct Assignment
- **Limits**
 - Wind DR MW of Transmission Service \leq 20% (Net Capacity of Designated Resources)
- **Waivers**
 - No Waivers will be considered
- **Caps**
 - No limits on percent of cost that can be directly assigned to the requestor

Implications from the Two Proposals

The impacts shown below are for a specific example that may or may not be representative of a “typical” request for Designated Wind Resource



This example illustrates:

1. Using Requested Transmission Capacity significantly reduces costs that would otherwise be directly assigned to the requestor.
2. The difference between the Compromise proposal and the TO proposal is costs going into the postage stamp rate and costs that are directly assigned to the requestor.

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Results of April CAWG

- **Safe Harbor**
 - Uses Requested Transmission Capacity (e.g., name plate capacity)
 - Applies to all costs assigned to transmission service request
- **Sink Zone Costs**
 - 1/3 Postage Stamp
 - 2/3 MW-Mile
- **Non-Sink Zone Costs**
 - 2/3 Postage Stamp
 - 1/3 Direct Assignment
- **Limits**
 - Wind DR MW of Transmission Service \leq 20% (Forecasted Summer Peak)
 - For the capacity limit of 125% of load, a designated wind resource's capacity should be evaluated at its accredited capacity (e.g., 10% of name plate capacity).
- **Waivers**
 - Waivers will be considered
- **Caps**
 - None

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Update from May CAWG Meeting

- During the discussion at the May CAWG meeting the question was raised concerning what would happen to costs assigned to a request for Wind DR that exceeded the 20% peak demand limit.
- The CAWG unanimously supported having those costs directly assigned to the requestor.