



Generation Security Deposit Policy

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NPPD Board of Directors Meeting
President's Report
June 2024

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Executive VP & Chief Operating Officer



Nebraska Public Power District

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Background

- Significant financial commitment required to add new generating resources for capacity and/or energy
- Possibility for speculative projects
- Generation security deposit – confirm commitment of end-use customers to project and location
- Expected minimum financial security for SPP GI study process forms basis for generation security deposit
- Board-approved Generation Security Deposit Policy sets security deposit amount
- Generation Security Deposit Agreement establishes terms with individual end-use customers

Generation Security Deposit

- Total \$12,000/MW security deposit in two payments:
 - First payment \$8,000/MW due in conjunction with end-use customer submitting New Load Queue application
 - Second payment \$4,000/MW due after completion of all transmission studies for new load and end-use customer has executed a TFCA and provided TFCA security if applicable
- Forms of security – bond, letter of credit, other determined acceptable to NPPD (identical to TSEP requirement)

Generation Security Deposit

- May be forfeited if end-use customer terminates their project prior to meeting requirements of Generation Security Deposit Agreement
- Time security deposit will be held
 - Prospective end use customers: three years from date customer begins taking service from NPPD per the Generation Security Deposit Agreement
 - Existing end use customers: three years from dates customer makes deposit payments

Recommendation

- Adopt the Generation Security Deposit Policy resolution



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Questions

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