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Transmission Standard Extension Policy Changes

NPPD Board of Directors Meeting
May 2024

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Background

- Existing Policy Approved 12-08-22, Effective January 1, 2023.
- Developed policy with input from a wholesale customer working group.
- Based on experience with implementation of the policy, reviewed possible concerns and changes with the existing policy with wholesale customer working group.
- Propose a revision to the Maximum Stranded Cost Limit provision (Section 3.3) and deleting 8.1.4 (administrative cleanup).

Revise Section 3.3

3.3 The Maximum Stranded Cost Limit shall be equal to the Peak Load (converted to KW) multiplied by the existing rate for Transmission Line Service, in \$/kW-month (e.g., T-Line) multiplied by \$20. This provision is intended to ensure load increases, that happen to result in large system upgrades, do not become financially limited by this extension policy. **The Maximum Stranded Cost Limit shall not apply for a new step load driving the requirements for a new green field delivery substation or if the step load is 100 MW or greater.**

- Experience with application of the policy has shown the existing Maximum Stranded Cost Limit provision does protect small loads that may necessitate a transformer update at an existing delivery substation. Example 28 MVA transformer to a 63 MVA.
- Application to very large loads may leave significant costs unsecured. Adding the exemption based on the requirements for a new green field delivery substation or new load 100 MW or greater provides for a greater security requirement for these very large loads that may also require substantial network upgrades.

Delete 8.1.4

8.1.4 Minimum monthly CAMF payment for economic development projects.

- This is administrative clean up.
- Draft versions of the policy had an economic development section for speculative loads. A Capacity Addition Monthly Fee (CAMF) was proposed in the economic development section. As the economic development section was not adopted in the final policy, 8.1.4 can be removed.

Recommendation

Request the Board to approve the proposed revisions to NPPD's Transmission Standard Extension Policy with an effective date of May 10, 2024.



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Questions

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