



Proposed New Load Process Policy

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NPPD Board of Directors Meeting
President's Report
September 2026

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Objective

- Policy is designed to support business development, while also mitigating the potential for stranded infrastructure costs and maintaining system reliability.
- Review the New Load Process Policy and applicable changes to the process key milestones.
- Obtain Board approval of proposed Policy.

New Load Process (NLP) Overview

Why it was stood up – large uptick in new load requests starting in 2023

- For proper system and resource planning ≥ 1 MW is very valuable to understand and properly plan the system for all new loads and integrity of the system for existing and new customers.
- Firm loads ≥ 5 MW individually and in aggregate, provide \$12K / MW Generation Security Deposit to indicate that we should make the commitments we are required regarding resource adequacy.
- Allows all involved (new load, serving utility and NPPD) to follow a process in full transparency.

What is different today

- Sizes of projects have grown.
- Gaining experience with NLP - while maintaining compliance and adapting to tariff changes at Southwest Power Pool (Regional Transmission Organization Changes).
- Legislative and economic development pressure.

Validate generation and transmission capacity to serve new loads

Goal - Determine when sufficient transmission and energy capacity is in place to serve the new load

- Transmission – study to determine if adequate infrastructure is in place or timing for upgrades.
- Generation – completing the NLP establishes position for available capacity resources.
 - Determine estimated capacity available date.
 - Potential options to service early.

New Load Process Policy

- Board approved policy to formally document the New Load Process, which is transparent and fair for all new loads requesting service while mitigating risk and cost-shifts to existing customers.
- The Policy will capture the key milestones of the New Load Process. The following documents (either new or being updated) are referenced in the new Policy and discussed on the following slides:
 - New Load Application - Section 2.1 updated
 - Memorandum of Understanding - Section 2.2 updated
 - Long Term Service Agreement - Section 2.3 new
 - Generation Security Deposit Policy - Section 2.4 updated
 - System Impact Study Agreement - Section 2.5 update
 - Transmission Standard Extension Policy - Section 2.6 update
 - Energy Supply Agreement - Section 2.7 new
 - Special Power Product and/or Large Load Power Service Agreement - Section 2.8 new

New Load Process Application (Update)

- New Load Process Policy Section 2.1.
- Updated to include LB1010 requirements related to a large load customer.
 - A requirement for each large load customer to disclose to the interconnecting public power supplier whether the customer is pursuing a substantially similar request for electric service the approval of which would result in the customer materially changing, delaying, or withdrawing the interconnection request. The disclosure may redact competitively sensitive details. The public power supplier shall not sell, share, or disclose the information submitted to it under this subdivision (Neb. Rev. Stat. Sec. 70-2203(1)(a)).
 - A requirement for each interconnected large load customer to disclose to the interconnecting public power supplier information about the customer's onsite backup generating facilities. The public power supplier shall use such information for purposes of the procedure described in Neb. Rev. Stat. Sec. 70-2204.
 - A method for a large load customer to demonstrate site control for the proposed load location (Neb. Rev. Stat. Sec. 70-2203(1)(b)).

Memorandum of Understanding Updates

- ⦿ New Load Process Policy Section 2.2.
- ⦿ Safe Harbor Estimate.
- ⦿ Provides timeline when customer must execute an Energy Supply Agreement.
- ⦿ Collateral Estimate.
- ⦿ For new loads greater than 20MW, requires declaration for Long Term Service Agreement.

Long Term Service Agreement

- New Load Process Policy Section 2.3
- Required for new loads greater than 20MW, a long-term commitment is a prudent stranded cost / cost shift risk mitigation requirement
- Large single loads warrant appropriate protection for all NPPD customers of the generation financial commitment
- Greater than or equal to a 25-year term for all options to better align with the generation debt service
- Options Available:
 1. Retail service provider has a long-term wholesale power contract with NPPD
 2. Long Term Wholesale power contract for customer load
 3. Third-party capacity agreement (through end of WPC/PRO)
 4. Retail waiver
 5. Extension of Retail PRO Agreement

Generation Security Deposit (GSD) Policy

- New Load Process Policy Section 2.4
- Incorporates a transmission upgrade Safe Harbor amount (Safe Harbor amount is defined in the Generation Security Deposit Agreement (GSD))
- If Transmission Upgrade Security plus Formula Contribution in Aid of Construction (FCIAOC) cost exceeds Safe Harbor amount, and prospective end-use customer terminates their project, GSD will be refunded
- Decision to terminate must be made within 30 days after receipt of Transmission Facility Construction Agreement (TFCA) with schedule and costs

System Impact Study Agreement & Study Fee

- New Load Process Policy Section 2.5.
- System Impact Study Agreement includes LB1010 Statutory Requirements, Neb. Rev. Stat. Sec. 70-2203(1)(c).
- Study Fee.
 - For any new or expanded interconnection where the total load at single site would be >20 MW.
 - A study fee of \$50,000 or \$1,000 per megawatt, whichever is greater, to be paid to the interconnecting public power supplier for initial studies.
- NPPD proposes to collect the nonrefundable fee and apply it towards the transmission owner System Impact Study costs.
 - If a project moves forward and completes the New Load Process, excess will be applied to their transmission billing.
 - If a project does not move forward, fees in excess of study costs would be applied to transmission level of service (benefitting all transmission customers).
- Customer remains responsible for all Southwest Power Pool study fees and deposits.

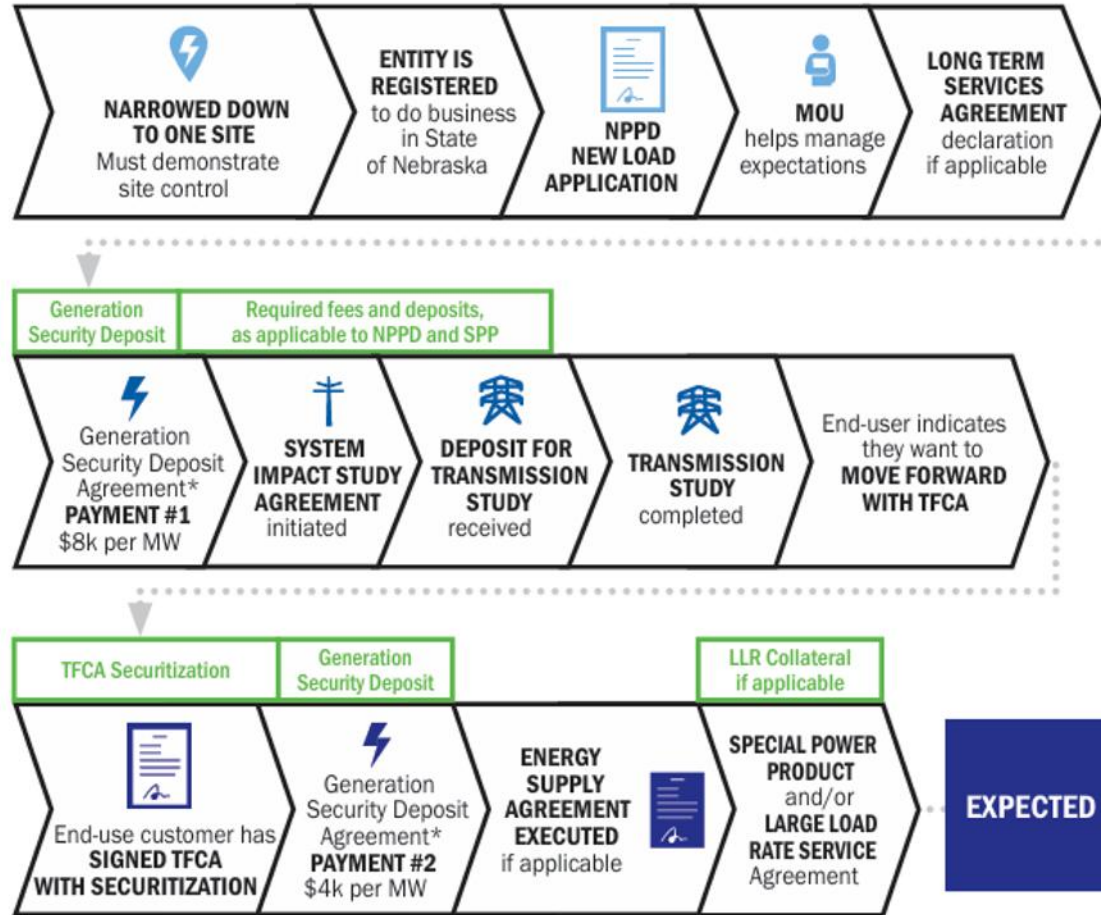
Energy Supply Agreement

- New Load Process Policy Section 2.7.
- Industry standard agreement to confirm the timing and supply of energy for the project.
- Culmination of the New Load Process for load to be served and acknowledges key milestones have been met.
- States Estimated In-Service Date.
- Provides a 30-day timeline for customer to execute the applicable Service Agreement, unless on General Firm Power Service (GFPS).
- Required for all applicable projects in the New Load Process.

Special Power Product / Large Load Power Service Agreement

- **New Load Process Policy Section 2.8.**
- **Customers to be served under the Large Load Power Service or a Special Power Product will be required to enter a rate Service Agreement after executing Energy Supply Agreement.**
- **Service Agreement for Large Load Power Service Agreement will describe the collateral requirements.**

NEW LOAD PROCESS



*Generation Security Deposit Agreement applies to projects that are greater than or equal to 5 MW, single site or aggregate.

LEGEND:

Green - Investment Points

TFCA - Transmission Facilities Construction Agreement

SPP - Southwest Power Pool

Economic Development Project Readiness Checklist

Before entering the New Load Process, project teams should have:

Site & Project Development

- ☐ Local zoning/use compatibility reviewed
- ☐ Preliminary development schedule established

Customer & Load Validation

- ☐ End-user identified
- ☐ Load requirements defined (MW demand, ramp schedule, operating profile)
- ☐ Load growth assumptions documented
- ☐ Retail service provider discussions initiated

Community & Economic Development

- ☐ Local economic development engagement ongoing
- ☐ Community support discussions initiated
- ☐ Local government awareness established
- ☐ Infrastructure needs identified

Financial Readiness

- ☐ Capitalization plan established
- ☐ Funding sources identified
- ☐ Study deposit requirements reviewed
- ☐ Generation Security Deposit requirements reviewed

Utility Readiness

- ☐ Desired service date identified
- ☐ Preliminary transmission considerations discussed
- ☐ Rate product discussions initiated



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Summary of New Load Process Milestones

Milestones Required	Less than 5 MW	≥ 5 MW	>20 MW TOTAL Single Site	>20 MW NEW	≥ 50 MW Firm
New Load Application	Yes	Yes	Yes	Yes	Yes
Land Under Control* (LB1010, Neb. Rev. Stat. Sec. 70-2203(1)(d))	Yes	Yes	Yes	Yes	Yes
Memorandum of Understanding	Optional	Yes	Yes	Yes	Yes
Long-Term Service Agreement	No	No	No	Yes	Yes
Generation Security Deposit Agreement*	No	Yes	Potentially	Yes	Yes
Large Load Study Fee (LB 1010, Neb. Rev. Stat. Sec. 70-2203 (1)(c))*	No	No	Potentially	Yes	Yes
NPPD System Impact Study*	Potentially	Yes	Potentially	Yes	Yes
SPP Study*	No	Potentially	Potentially	Yes	Yes
Transmission Facilities Construction Agreement*	Potentially	Potentially	Potentially	Likely	Likely
Energy Supply Agreement	Potentially	Yes	Yes	Yes	Yes
Large Load Rate*/ Special Power Product Service Agreement	No	Potentially	Potentially	Yes	Yes
Curtailment / On-Site Generation Requirements (LB 1010, Neb. Rev. Stat. Sec. 70-2204(2))	No	No	Yes	Yes	Yes

**Investment Milestones*

New Load Process Policy Recommendation

- Adopt the New Load Process Policy resolution.



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Questions

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