

New Load Process - Overview



Nebraska Public Power District

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The dramatic increase in new large loads requesting service prompted NPPD to establish a process to balance the electrical requirements of the new loads with the required generation and transmission facilities needed to serve them. Completion of this process will result in the customer being provided an in-service date driven by the timeframe in which the new generation and transmission facilities required come on-line.

The New Load Process applies to all new electrical service requests of NPPD or its wholesale customers that are greater than or equal to (\geq)1 MW. This includes:

- **Expansions of existing customers on the system**
- **New customers to the system**
- **Per single meter location/site**
- **An aggregate of new loads at multiple locations of the same parent or affiliated companies**
- **Changes in the interruptible rate firm service amount**

A projected in-service date will be provided after completion of the New Load Process (see attached Process Flow Chart). There are several milestones to complete throughout the process, with two core components:

1) Transmission Availability – All new loads will be studied to ensure adequate transmission facilities are in place to serve the customer or determine when they are anticipated to be in-service.

2) Generation Availability – This evaluation is required for any new loads \geq 5 MW (or in aggregate by a company) to ensure adequate generation facilities are in place to serve or determine when they are anticipated to be in place. Loads (\geq)5 MW, single or aggregate, will be subject to a Generation Security Deposit Agreement.

Once all steps are completed in the New Load Process, an in-service date will be provided based on the anticipated availability of generation and transmission facilities required to serve the new load.

Key Milestones:

- 1. Application:** The Application outlines the electrical requirements and location of the new load to begin discussions with the customer about the process, costs and timeline. A separate Application and New Load Process is required per location/site pursued by the customer.
- 2. Memorandum of Understanding:** The Memorandum of Understanding defines what customers with potential new projects can expect from NPPD and provides an understanding of the New Load Process and required financial commitments. It also provides an estimated in-service date based on completion of the process and placement onto the “Expected” list. Accompanying the Application and a signed Memorandum of Understanding will be deposits and securities to continue the process. The results of the processed Application and Memorandum of Understanding will generate a Generation Security Deposit Agreement (GSDA).
- 3. Transmission Facilities:** All loads will be reviewed by NPPD and Southwest Power Pool (SPP) via appropriate studies and modeling to ensure adequate delivery facilities are in place to serve the new load based on the location identified in the Application. A deposit is required to initiate both studies. Upon completion, the customer will pay actual study costs. If new transmission facilities are

identified, a Transmission Facilities Construction Agreement (TFCA) will be required with financial security from the customer.

4. **Generation Facilities:** All loads with requirements (per single site or in aggregate) of ≥ 5 MW will be required to provide the Generation Security Deposit (GSD) as a component of completing the New Load Process. This security provides no rights or ownership of NPPD's generation to the customer. There are two security deposits in the process: one upfront within 30 days of submitting a GSD at \$8,000/MW and a second security deposit provided prior to completing the New Load Process at \$4,000/MW. The total is \$12,000/MW based on the total load of the customer.
 - a. **The dollars per MW amount is based on the total load of the customer due to the capacity and also the energy-related generation resources required to serve the new load.**
5. **Security:** Acceptable security includes letters of credit and/or surety bonds. Security is returned to the customer as conditions are met.
6. **Process Completion:** To obtain "Expected" status, completion of the entire New Load Process is required alongside signed agreements and security deposits. The completion date is significant, as it determines a projected in-service date.

Summary: The New Load Process was established to manage an unprecedented influx of new load seeking service. This process will better manage customers' expectations as NPPD pursues projects to construct the new generation and transmission facilities needed to serve them. Most importantly, NPPD's goal is to do so while keeping reliability high and rates low. The New Load Process applies to all new loads ≥ 1 MW. Loads (≥ 5) MW, single or aggregate, will be subject to a Generation Security Deposit Agreement.

Supplemental (Examples)

- 1) **Scenarios with different New Load Process requirements:**
 - **10 MW total load and 10 MW firm**
 - 1) Complete System Impact Study Process (possible Security with TFCA)
 - 2) Provide Generation Security Deposits (Agreement and Security)
 - 3) Result - Obtain an estimated in-service date based on transmission and generation availability.
 - **10 MW total load and 2.5 MW firm**
 - 1) Complete System Impact Study Process (possible Security with TFCA)
 - 2) Provide Generation Security Deposits (Agreement and Security)
 - Required due to capacity and energy related generation needed for the peak load.
 - 3) Result - Obtain an estimated in-service date based on only transmission availability.
 - **4 MW total load and 4 MW firm**
 - 1) Complete System Impact Study Process (possible Security with TFCA)
 - 2) Result - Obtain an estimated in-service date based on transmission availability

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