New Load Queue Process - Overview

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Nebraska Public Power District

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The dramatic increase in new large loads requesting service prompted NPPD to establish a process in early 2024 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 estimated in-service date driven by the timeframe in which the new generation and transmission facilities required come on-line.

The New Load Queue Process applies to all new electrical service requests of NPPD or its wholesale customers that are greater than or equal to (≥)5 MW (firm requirements). 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

Firm load defines the amount of capacity requested for the applicable rate selected by the end-use customer and approved by NPPD. It may be lower than the total load for flexible/curtailable loads.

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

1) Transmission Availability – Study new loads 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 firm loads ≥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.

Once all steps are completed in the New Load Queue Process, an estimated 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 Queue 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 Queue Process and required financial commitments. It also provides an expected in-service date based on completion of the queue 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 likely 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. There are two ways to complete the transmission component of the New Load Queue Process depending on the level of studies and facilities involved, as determined by NPPD and SPP:
    a. Transmission Study completed as "for information only" (temporary)
        i. Depending on the size of the project and current rules/requirements/conditions at SPP, the study could be returned on a "for information only" basis.
        ii. A security amount is required, which is to be based on the pre-TFCA high estimate. It will then be trued-up when the study is finalized.
    b. Transmission Study completed as "finalized" with a signed TFCA and security provided.
4. **Generation Facilities:** All loads with firm requirements (per single site or in aggregate) $\geq$5 MW will be required to provide the Generation Security Deposit (GSD) as a component of completing the New Load Queue Process. The GSD and Agreement are to initiate and offset part of the security NPPD is required to provide SPP to study the interconnection of new generation onto the system. 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 Generation Security Deposit Agreement at $8,000/MW and a second security deposit provided prior to completing the New Load Queue 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 (or peak demand) 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 if conditions are met or may be called/collected by NPPD if load does not develop as planned.
6. **Process Completion:** To obtain "Expected" status, completion of the entire New Load Queue Process is required alongside signed agreements and security deposits. The completion date is significant, as it determines the position in the queue or waiting list.
7. **Queue and Project's Position:** The queue will rank in order the projects as they complete the New Load Queue Process. The project's position will not be made public, but customers will know where their project(s) reside relative to other anonymous projects and their MW size in the queue. This will balance transparency and ensure fairness, all while maintaining anonymity.
8. **Queue Review:** At least twice per year, a review of the queue will be done to determine if conditions have changed that allow for projects to be brought on-line sooner than originally discussed. This is likely driven from other "Expected" loads not materializing as planned. NPPD's goal is to maintain a responsible margin of surplus capacity for our overall load and native load growth, while being able to bring on-line loads waiting in the queue to be served as soon as reasonably possible. If this is a possibility, the queue's project order (i.e. 1,2 3…) will be used to explore interest and ability for projects to be served sooner than anticipated versus other attributes.

Summary: The New Load Queue 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 Queue Process applies to all new loads $\geq$5 MW (single site or in aggregate). Completion of the New Load Queue Process will allow NPPD to provide an estimated in-service date that could be no sooner than 2029 or later.

Supplemental (Examples)

1) Scenarios with different New Load Queue Process requirements:
    - 10 MW total load and 10 MW firm
        1) Complete Transmission 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 Transmission 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) Total and firm loads $\leq$5MW (not part of an expansion – aggregate) are not required to go through the New Load Queue Process. This means their in-service date is not limited due to generation. However, NPPD will need to know from a sub-t and transmission planning perspective to ensure adequate facilities are in place to serve the load, and the load will be included in overall load forecasts.