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| --- | --- | --- | --- |
| BPR Number | BPR015 | BPR Title | Elevating Transmission Service Priority for NITS Customers |
| Business Practice Section(s) Requiring Revision (include Section No., Title, and Protocol Version) | | New Business Practice | |
| Impact Analysis Required  (Yes or No) | | No | |
| MMU Report Required  (Yes or No) | | No | |
| Requested Resolution (Normal or Urgent) | | Normal | |
| Revision Description | | New BP | |
| Reason for Revision | | To clarify SPP’s application of NERC Standard EOP-002, Requirement 9. | |
| Tariff Implications or Changes (Yes or No; If yes include a summary of impact and/or specific changes) | | No | |
| Criteria Implications or Changes (Yes or No; If yes include a summary of impact and/or specific changes) | | No | |
| Credit Implications (Yes or No, and summary of impact) | | No | |

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| Proposed Business Practice Language Revision |

# 6 GENERAL INFORMATION

## 6.1 elevation of transmission service priority for nits customers

SPP as the Transmission Service Provider will use this practice in coordination with NERC Energy Emergency Alerts (EEA) for an entity receiving NITS from SPP.

### Business Practice

Requirement 9 of NERC Reliability Standard EOP-002 contains the following language:

*When a Transmission Service Provider expects to elevate the transmission service priority of an Interchange Transaction from Priority 6 (Network Integration*

*Transmission Service from Non-designated Resources) to Priority 7 (Network*

*Integration Transmission Service from designated Network Resources) as permitted in its transmission tariff…*

The language of the NERC standard implies that a NITS customer may be allowed to elevate the transmission service priority of an NN-6 interchange transaction to F-7 during a declared energy emergency (EEA2 or EEA3). However, the SPP OATT contains NO provision for elevating transmission service priority from NN-6 to F-7 as contemplated in EOP-002, Requirement 9. During a declared emergency condition (EEA2 or EEA3), SPP will not apply this requirement at the request of a NITS customer. NITS customers seeking F-7 service priority for their interchange transaction(s) during a declared emergency condition should thus schedule transactions from designated network resources eligible for F-7 service during such conditions.

### Explanation / Rationale

This Business Practice is intended to be general information for SPP customers.

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| BPR Number | BPR016 | BPR Title | Transmission Owner Selection Process |
| Business Practice Section(s) Requiring Revision (include Section No., Title, and Protocol Version) | | New Section | |
| Impact Analysis Required  (Yes or No) | | No | |
| MMU Report Required  (Yes or No) | | No | |
| Requested Resolution (Normal or Urgent) | | Normal | |
| Revision Description | | New BP to incorporate the Selection Process paper developed by the TO Selection Task Force and approved by the MOPC. The purpose of this business practices is to define the process to be utilized by SPP only in the event the Designated Transmission Owner (DTO) is unable or unwilling to arrange for the construction of a project. | |
| Reason for Revision | |  | |
| Tariff Implications or Changes (Yes or No; If yes include a summary of impact and/or specific changes) | | No | |
| Criteria Implications or Changes (Yes or No; If yes include a summary of impact and/or specific changes) | | No | |
| Credit Implications (Yes or No, and summary of impact) | | No | |

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| Proposed Business Practice Language Revision |

1.16 TO Selection When A DTO Rejects an NTC

[(return to TOC)](#TOC)

SPP sends a Notification to Construct (NTC) to the Designated Transmission Owner (DTO) for projects to be built pursuant to Attachment O, Section VI of the SPP Tariff. The purpose of this business practice is to define the process to be utilized by SPP in the event that DTO is unable or unwilling to arrange for the construction of a project identified pursuant to the SPP planning procedures. This overall selection process is depicted in the diagram found in Appendix 1.

#### Business Practice

If the DTO for a NTC either: 1) informs SPP that it does not want to be a DTO and does not arrange for another entity to assume the NTC in its place, 2) does not respond to the receipt of the NTC within the defined 90 day period and in the manner required by Attachment O, or 3) cannot reach an agreement on a modified NTC with SPP within the 90 day period, then SPP shall solicit a new Transmission Owner to build, own, operate and maintain the project pursuant to the following process:

1. Staff will notify the Chairman of the Board of Directors (BOD) and the Chairman of the Oversight Committee.
2. Within 15 days, the Oversight Committee (OC), with recommendations from SPP Staff, will form a Selection Committee (SC), consisting of a group of SPP Staff to oversee the selection process and to make a recommendation to the Oversight Committee in accordance with the process described herein. The Chair of the SC shall be an SPP employee at the Director level or higher. The SPP Staff members of the SC shall include at least one employee from each of the following functions, not to exceed nine members.

* Engineering
* Regulatory
* Operations
* Finance

1. During the implementation of this Business Practice, the SC may, in its sole discretion, designate and utilize Stakeholder Experts in order to provide input and expert opinions to the SC. The designated Stakeholder Experts shall be selected for their expertise to supplement the knowledge and expertise of the SC.

For a Stakeholder Expert to qualify to participate with the SC, the Stakeholder Expert must not be an employee or consultant for any of the entities or their affiliates vying to construct the project. If, after a Stakeholder Expert is selected and agrees to participate, the company that the Stakeholder Expert represents in the SPP does initiate efforts to seek to construct the project, the Stakeholder Expert shall immediately notify the SC and shall be removed as a Stakeholder Expert. Each Stakeholder Expert must sign the SPP confidentiality agreement prior to participating in the selection process. (*Staff to add reference to location of the document*)

Stakeholders Experts shall be the primary source from which the SC shall obtain expertise which it deems to be beyond its capability. The SC may also utilize such consultants as it determines are necessary to provide specific expertise. The SC may on occasion query a Committee or Working Group regarding a matter it deems necessary to obtain such Committee’s or Working Group’s input. In the event the SC determines that it must query a Committee or Working Group, the query shall be narrowly designed in order to maintain the integrity of the evaluation process.

1. Within 15 days of its formation, the SC’s shall issue a Request for Information (“RFI”). The purpose of the RFI is to generate a list of those entities interested in becoming the DTO for the NTC and which meet the list of minimum requirements given in Attachment O. The RFI will be developed by the SC based upon the original NTC issued by SPP and shall contain
   1. The overall parameters of the project;
   2. the original NTC; and
   3. any additional information as specified in Appendix 3.

The RFI will be distributed to the identified contacts for each Transmission Owner in SPP, each SPP Member, posted on the SPP website and OASIS and distributed to anyone who has expressed an interest in becoming a Transmission Owner in the SPP.

Those entities wishing to participate in the selection process must respond back to the SC within 30 days of the posting of the RFI with the required information contained in Appendix 3. . The SC will review the responses for completeness and reject any response that is incomplete or does not meet the qualifications. The SC shall notify a responding entity if its response is rejected for being incomplete. If time allows, the responding entity may resend a corrected or modified response back to the SC for consideration. Entities whose response is determined to be complete will be considered a Qualified Entity (“QE”). Any entity that fails to respond to the RFI or whose response is rejected will not be considered further in this selection process.

1. If no response to the RFI is received, then the SC will inform the OC and the BOD of the lack of interest and the obligation to construct shall remain with the DTO.
2. Within 45 days after the RFI has been posted, the SC will develop and issue an RFP containing the information detailed in Appendix 3. The RFP will only be issued to those entities that have responded to the RFI and have met the qualifications of the RFI.

1. Each Qualified Entity (“QE”) shall respond to the RFP within 60 days from the date the RFP is sent to the QE (“Response Window”). A QE may request an extension of time to the Response Window; however, the Response Window shall not be longer than 75 days from the date the RFP was sent to the QE. The SC may grant such an extension of time based on good cause provided by the QE. Good cause for an extension to the length of the Response Window may include, but not be limited to: documented proof that the RFP was not received in a timely manner by the QE, holidays, delay of information from SPP, and/or a delay in information from third parties required for the QE to complete its response to the RFP.
2. If no response to the RFP is received, then the SC will inform the OC and the BOD of the lack of interest; and the obligation to construct shall remain with the DTO.
3. The SC will immediately review each response to the RFP it receives for completeness. The SC will promptly return any response to the QE that is incomplete; however, the QE may resubmit a corrected or modified response if the resubmittal is made within the Response Window. Any QE that fails to respond to the RFP within the Response Window will be deemed to have waived its right to respond to the RFP.
4. Upon the receipt of the last QE response, or upon the closing of the Response Window, whichever is first to occur, the SC will begin its review of the information supplied by each QE responding to the RFP. The SC shall review all the responses to the RFP and make its recommendation to the OC based upon the selection process outlined in Appendix 4 within 30 days of the initiation of its review. During the review period the SC may ask additional questions of a responding QE and/or have each responding QE give a face-to-face presentation. The SC may take up to an additional 30 days to complete its review if either the number of responding QEs or the complexity of the analysis requires additional time. The SC must notify the OC of the extension and the reason for the extension prior to the end of the original 30 day review period. The recommendation shall rank each QE as prescribed by Appendix 4 in a non-discriminatory manner based upon the information supplied, or obtained, through the review period. The SC will compile an internal report detailing the process, participants, data and results of its deliberation. A public report will also be published by the SC; however, the public report shall not contain any confidential information obtained by the SC during the selection process. The public report shall be made available to all SPP stakeholders prior to the final selection of the BOD.
5. The OC shall review the SC recommendation, results and explanations and submit those results, along with its recommendations to the SPP BOD. The SPP BOD shall select a QE for the project (Selected Transmission Owner or “STO”) and a backup QE based upon the input it receives from the OC.
6. Upon the selection of the STO by the BOD, SPP shall notify the STO that it has been selected to become the new DTO for the project. The STO shall sign any necessary agreement(s) obligating it as the DTO to assume all of the rights and responsibilities related to the project and the NTC pursuant to the SPP Membership Agreement and the SPP OATT.
7. If the STO does not respond within 15 days of notification, is no longer willing to become the DTO, or is unwilling to sign the necessary agreement(s), the STO shall be deemed to have waived its right to become the DTO and SPP shall notify the BOD, OC and the SC of the results. SPP shall then contact the backup QE and offer the project to it on the same terms the project was offered to the STO.
8. If the backup QE also fails to sign the necessary agreement(s) to become the DTO within 15 days of notification, SPP shall notify the BOD, OC and the SC of the results. The SC and OC shall review the remaining applications and submit another recommendation to the BOD. If no other QE can be found to construct the project, then the original Transmission Owner shall remain the DTO and shall be required to begin following the requirements of the NTC[[1]](#footnote-1).

# Business Practice XX.YY Appendix 1 – Transmission Owner Selection Process Flowchart

**Transmission Owner Selection Process**

Members of the SC are selected by the Oversight Committee (1 week)

SC develops an RFI to determine a list of interested entities (15 days)

Parties respond to RFI

(30 days)

Incomplete Response

SC receives and reviews responses to RFP

(60 days)

SC makes Recommendation to Oversight committee

Oversight Committee makes recommendation to SPP BOD

SC issues the RFP to interested entities

SC Reviews responses to the RFI (15 days)

SC develops the RFP

(45 days)

SC Evaluates RFPs (30 days)

Incomplete Response

BOD Selects STO

SPP Contacts STO

Selected QE does not sign agreements

Business Practice X.X Appendix 2

*Selection Committee Confidentiality Agreement*

*Between*

*The Southwest Power Pool, Inc.*

*and*

*(Recipient)*

Please refer to the appropriate SPP confidentiality (or NDA) agreement. (Staff to insert link to document here)Business Practice XX.YY Appendix 3 – RFI/RFP Procedures

## Purpose

To identify the minimum Request for Proposal (RFP) requirements for selecting an entity to construct a transmission project in which the Designated Transmission Owner (DTO) has refused.

To facilitate the RFP process, it would be beneficial to first issue a Request for Information (RFI) for the specific project.

## RFI Requirements

**General**

* Introduction/Background
* OATT / Regulatory context
* Purpose of RFI / statement of objective (tied to NTC and refusal of DTO to construct)
* Confidentiality statement (as applicable)
* RFI Timeline
* Notice of Intent to Bid (a standardized form) issued with the RFI

Consistent with Attachment O Section VI, paragraph 6, the RFI must state that the entity responding to the RFP must demonstrate the following to be considered a viable bidder:

* That the entity has obtained all state and regulatory authority to construct, own and operate transmission facilities within the state(s) where the project is located
* That the entity meets the creditworthiness requirements of the Transmission provider (SPP)
* That the entity has signed or is capable and wiling to sign the SPP Membership Agreement as a Transmission Owner upon the selection of its proposal to construct and own the project

## RFP Requirements

**1. General**

* Introduction/Background
* OATT / Regulatory context
* Purpose of RFP / statement of objective (tied to NTC and refusal of DTO to construct)
* Confidentiality statement (as applicable, covering the confidentiality of the bids and what those evaluating the bids have agreed to in terms of a confidentiality statement)
* Dispute resolution process

**2. Bid Content Requirements and Submission Procedures**

* Demonstration that the entity has signed or is capable and willing to sign the SPP Membership Agreement as a Transmission Owner upon the selection of its proposal to construct and own the project
* Demonstration that the entity has obtained all state and regulatory authority to construct, own and operate transmission facilities within the state(s) where the project is located
* Timetable for RFP bids
  + RFI issued
  + Notice of intent to bid
  + RFP issued
  + Pre-bid Q and A deadline
  + Pre-bid conference (if appropriate)
  + Bid due dates
  + Information policy
  + Clarification of proposals
  + Bid selection date
* RFP primary contact
* Identification of major partners, contractors, and associated contracts
* Requirements to comply with Good Utility Practice, SPP criteria, industry standards, applicable Transmission Owner construction /technical criteria, and applicable local, state, federal requirements
* Duration of Offer
* Conditions of Bid
* Managerial qualifications

**3. Financial**

* Demonstration of financing
* Demonstration of meeting SPP creditworthiness requirements
* Demonstration of articles of incorporation
* Cost estimates
* Statement of cost recovery
* Demonstration of Revenue Requirement calculations

**4. Engineering and Construction**

* Statement of whom will engineer/design the project
* Minimum technical requirements / specifications
  + Technical requirements for conductors, terminations, structures, etc (as applicable and tied to the NTC)
* Demonstration of applicable qualifications and certifications to construct in the state in which construction is required
* Anticipated timeline of project
  + Schedule estimates
  + Progress milestones
  + Progress reports
* Demonstration of past transmission construction experience
* Equipment acquisition process
  + Construction equipment
  + Transmission line material
* Description of applicable ROW / real estate acquisition process
* Description of routing process
* Description of permitting processes
  + Eminent domain status
  + Process for obtaining easements
  + Surveying responsibility
* Description of construction clearance processes. (Permission from the local operations group to cross other lines, turn off reclosers; have nearby lines reenergized while working on or near them, etc.
* Who will have the responsibility to inspect the construction?

**5. Operations and Maintenance**

* Demonstration of operations
  + Statement of which entity will be operating and maintaining the line
* Demonstration of compliance with SPP ERO, NERC requirements
* Description of relevant control center operations
* Storm / outage response plan
* Maintenance Plan
  + Staffing
  + Equipment
  + Crew training
* Record of past maintenance performance

**6. Information Exchange**

* Identification of data required to be provided to the SPP in accordance with NERC reliability standards (for power flow, short-circuit, stability analysis etc.)
* Data of design of the facilities for the Transmission Provider
* CEII requirements

**7. Safety program/Current/past statistics**

* Internal safety program
* Contractor safety program
* Safety performance record

**8. Evaluation Procedure (should be listed in RFP)**

* Statement of bid evaluation methodology
  + For acceptable bids
  + For bid selection
  + Use of an independent evaluator (if applicable)
* Bid Evaluation fees (if applicable)

**9. Attachments -** under the premise that standardized forms from each bidder will aid in the evaluation of each bid by SPP.

Possible Standardized Forms

* Notice of Intent to Bid (part of the RFI)
* Bid certification
* Bid Cover Sheet
* Pricing
* Regulatory Milestones
* Construction Milestones
* Representation Authorization
* Bid exceptions

# Business Practice XX.YY Appendix 4 – Selection Criteria

## Purpose

To identify the process used in the rating and selection of the Selected Transmission Owner.

## General

The Selection Committee will use “Reasonable Professional” standard in evaluation of proposals from the various respondents.

Minimum requirements (regulatory authority, credit worthiness, and TO membership) must be met in order to included in this process.

The Selection Committee will score respondents on the items described below. Highest score may not always be selected. Low scores in individual categories may eliminate respondents from consideration

## Process

Each Selection Committee member will score respondents’ proposals by category from zero to the allowed number of points for that category. Points are totaled for all respondents and the results are used in guiding the committee to the ultimate selection. There are 100 possible points for each respondent RFP.

## Categories

* Project Expertise-**20 points**
  + Engineering
  + Permitting
  + Environmental
  + ROW Acquisition
  + Procurement
  + Project Management (including scope, schedule management)
  + Construction
  + Commissioning
  + Technology content
* Safety program/Current/Past statistics-**15 points**
  + Internal safety program
  + Contractor safety program
  + Safety performance record (program execution)
  + RFP conformance
* Cost to customer- What will the (long term) final impact be on the customer’s bill?-**20 points**
  + Estimated total cost of Project
  + Financing costs
  + FERC Incentives
  + Revenue Requirements
  + Lifetime cost of the project to customers
* Reliability/Quality/General Design-**15 points**
  + Type of Construction (wood, steel, design loading, etc.)
  + Estimated total owning costs
  + Losses (design efficiency)
  + Estimated life of construction
* Operations-**15 points**
  + Control Center operations (staffing etc.)
  + NERC compliance –process/history
  + Storm/Outage response plan
  + Past reliability performance
* Maintenance-**15 points**
  + Staffing
  + Maintenance plans
  + Equipment
  + Crew training
  + Maintenance performance/expertise
  + NERC compliance-process/history

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| BPR Number | BPR017 | BPR Title | Revise Business Practice 1.15 Notification to Construct |
| Business Practice Section(s) Requiring Revision (include Section No., Title, and Protocol Version) | | Revision to Business Practice 1.15 Notification to Construct version 1.0 | |
| Impact Analysis Required  (Yes or No) | | No | |
| MMU Report Required  (Yes or No) | | No | |
| Requested Resolution (Normal or Urgent) | | Normal | |
| Revision Description | | BP 1.15 was revised to match Notification to Construct (NTC) White Paper approved at the July 2010 MOPC meeting | |
| Reason for Revision | | MOPC directed BPWG to incorporate the NTC White Paper into a Business Practice | |
| Tariff Implications or Changes (Yes or No; If yes include a summary of impact and/or specific changes) | | No | |
| Criteria Implications or Changes (Yes or No; If yes include a summary of impact and/or specific changes) | | No | |
| Credit Implications (Yes or No, and summary of impact) | | No | |

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| Proposed Business Practice Language Revision |

## 1.15 Notification to Construct

[(return to TOC)](#TOC)

A SPP Notification to Construct (NTC) letter is a formal SPP document directing the commencement of construction of Network Upgrades intended to meet SPP Transmission Expansion Plan (STEP)[[2]](#footnote-2), SPP Open Access Transmission Tariff (OATT)[[3]](#footnote-3), or Regional Transmission Organization (RTO) Determined Needs.

The authority for SPP to issue an NTC is derived from approval by the SPP Board of Directors, a FERC filed Service Agreement under the SPP OATT, an endorsed Economic or Sponsored Upgrade upon the execution of a contract that financially commits a Project Sponsor to fund such upgrade, or when such upgrade is otherwise required pursuant to the tariff.

The issuance of an SPP NTC represents that the Network Upgrade is eligible for cost recovery under the SPP OATT.

#### Business Practice

An SPP NTC may be issued for Network Upgrades originating from, but not limited to, the following processes: **(*NOTE: These are descriptions of when a NTC may be issued and are not SPP OATT definitions.)***

* **ITP Study Process**

Integrated Transmission Planning (ITP) study Network Upgrades as directed for construction by the SPP Board of Directors in accordance with Attachment O of the SPP OATT.

* **Balanced Portfolio**

Network Upgrades identified in an approved Balanced Portfolio which was developed in accordance with Attachment O of the SPP OATT.

* **Sponsored Upgrades**

Network Upgrades which have received the endorsement of the SPP Board of Directors and the financial commitment of a Project Sponsor(s).

* **SPP Tariff Studies – Transmission Service studies**

Network Upgrades identified in Service Agreements entered into pursuant to the SPP OATT to accommodate new Transmission Service.

* **Generation Interconnection Upgrades**

Network Upgrades required by a generation interconnection agreement to be constructed by a Transmission Owner(s) other than the Transmission Owner that is a party to the generation interconnection agreement.

* **High Priority Upgrades**

Network Upgrades identified through a high priority study as directed for construction by the SPP Board of Directors in accordance with Attachment O of the SPP OATT.

* **Out of Cycle Reviews**

Local planning or sub-regional studies may reveal additional economic or reliability Projects beneficial or necessary to the transmission network. These proposed Projects may be submitted to the RTO for consideration for an out of cycle review by the SPP Board of Directors. Out-of-cycle Projects receiving approval from the SPP Board of Directors for inclusion in the STEP may receive an NTC depending on the nature, timing and urgency of the Project.

SPP recognizes that other factors beyond SPP governing documents may result in system Network Upgrades which are reasonable and appropriate. These Network Upgrades may not require an NTC. The NTC process shall not relieve a Transmission Owner of its obligation to construct, own or operate its transmission system as required in any other law or regulation or as required by the SPP OATT and Membership Agreement.

**SPP will issue a Notification to Construct under the following conditions and Time Constraints:**

* Approved Network Upgrades from ITP/High priority studies:

Unless previously issued, SPP staff will issue NTCs for all Network Upgrades approved by the SPP BOD for which financial commitment is required prior to the approval of the next update of the SPP Transmission Expansion Plan. Such an NTC will be issued within 15 business days from the time the SPP Board of Directors approves the project.

* Sponsored Upgrades;
  + an NTC will not be issued for an endorsed Sponsored Upgrade until a project sponsor is financially committed to pay for the Sponsored Upgrade.
* Network Upgrades related to transmission service requests;
  + Unless previously issued, SPP staff will issue NTCs for all identified projects associated with Transmission Service Agreements (TSA) within 15 business days from the time at which SPP receives from all customers in an Aggregate Study executed TSA(s) or written request(s) from customer(s) requesting a TSA be filed unexecuted.
* Network Upgrades related to generation interconnection requests;
  + Unless previously issued, SPP staff may issue NTCs for identified project(s) associated with Generation Interconnection Agreement(s) (GIA) within 15 business days from the effective date of the GIA(s).

**Withdrawal or Modification of a Notification to Construct**

# *NTC MODIFICATION*

It is recognized that from time to time modifications may be necessary to NTCs. The following sections outline the process to be used and the conditions under which an NTC may be modified.

## PROCESS

In the event that changes occur that could cause an NTC for a Project to be modified, SPP may re-study the need for the Project. Changes that could cause an NTC for a Project to be modified include but are not limited to:

* Change in scope
* Change in cost estimates
* Change in the In-Service Date or Need Date
* Changes in load
* Changes in generation
* Annulment of Transmission Service Requests (“TSR”)
* Change in local planning criteria
* Modeling error
* Change in Designated Transmission Owner

But must not:

* Cause adverse impact to Service Agreements or other contractually committed service under the SPP OATT.
* Render firm transmission service under the OATT undeliverable.

A stakeholder wishing to have an NTC Project restudied must provide SPP with the necessary model changes needed to study the modification of the Project in the appropriate models. If SPP determines that a change has occurred that could cause an NTC for a Project to be modified, SPP will perform the necessary analysis to determine if the Project modification meets the Network Upgrade Justification of the original Project as described in Section 6. For a Project to be deemed reasonable, it must meet or exceed the Network Upgrade Justification of the original Project.

If SPP determines that an NTC Project modification is reasonable, it will inform the TWG, MOPC, and SPP Board of Directors of this fact at their next regularly scheduled quarterly meeting and request Board of Directors approval as necessary to issue an NTC modification**.**

After the Board of Directors approves the NTC modification, SPP will issue a modified NTC as needed.

## SCOPE

A modification to an NTC shall be required if a change to the scope of the Project requires a modification in the designated Project. A change to the scope shall mean those new objectives that have a material impact on the required operating characteristics of the Transmission System pursuant to all applicable requirements of the SPP Tariff, SPP Criteria, NERC Reliability Standards, and the Transmission Provider's and Transmission Owner's(s) Transmission Planning Reliability Criteria in effect to maintain the reliable operation of the Transmission System in accordance with Good Utility Practice. Such changes may include but are not limited to:

* Topology
  + Routing changes
  + Interconnection point changes
* Operating Characteristics
* Changes in load
* Changes in generation
* Changes in local planning criteria
* Modeling errors
* Unavoidable need for modifications in distribution

And must:

* Provide comparable or improved level of electrical performance.
* Not cause adverse impact to Service Agreements or other contractually committed service sold under the SPP OATT.
* Not render sold firm transmission service undeliverable.

In the event that the scope of an NTC needs to be modified, a new NTC shall be issued to clarify the change and to reflect any modifications to Project scope. SPP staff will complete the appropriate review for a modification.

If a stakeholder wishes to propose a change in the scope of an NTC documented Network Upgrade or wishes to propose an alternative transmission solution to an already approved Network Upgrade, the requestor shall coordinate the proposed change with SPP staff.

## COST ESTIMATES

As part of the quarterly project tracking effort as specified in Attachment O of the SPP OATT, Staff will review the cost estimates provided by the designated Transmission Owner(s) and compile a list of Projects with a cost estimate increase of more than 20% from the previous quarter.

Staff will determine the cause of the cost increase for each NTC Project in this list and make a recommendation as to whether the change in cost estimate is sufficient to justify the Project being replaced with an alternate Project.

SPP or TWG may request further analysis of a Project.

After SPP holds a 15 day stakeholder review period, a SPP proposed modification to an NTC will go to the SPP Board of Directors for approval.

## TIMING

It is recognized that a change in an NTC may be necessary due to required changes to the Project schedule.

Through the processes identified in Section 5, SPP could change the Need Date, which would result in an NTC modification.

The following items are not expected to cause a change in an NTC due to the fact that time delays associated with these causes are handled through a mitigation plan or a re-dispatch option, as appropriate:

* Not enough time to complete Project based on SPP’s Need Date

Unforeseen delays, such as:

* + Regulatory
  + Siting
  + Construction
  + Equipment delivery

## 8.5 CHANGE IN DESIGNATED TRANSMISSION OWNER

A modified NTC shall be required if there is a change in the Designated Transmission Owner of a Project. Once the change in Designated Transmission Owner is approved, SPP shall issue a modified NTC reflecting the change in Designated Transmission Owner. SPP shall inform the TWG of an approved change in Designated Transmission Owner at its next regularly scheduled meeting.

# *NTC WITHDRAWAL*

In the event that changes occur which could render an NTC for an approved Project unnecessary, SPP may re-study the need for the Project. Changes that could render an NTC for an approved Project unnecessary include but are not limited to:

* Changes in load
* Changes in generation
* Annulment of TSR’s
* Change in local planning criteria
* Modeling error

But must not:

* Cause adverse impact to Service Agreements or other contractually committed service under the SPP OATT.
* Render firm transmission service undeliverable.

A stakeholder wishing to have an NTC Project re-studied for withdrawal must provide SPP with the necessary information needed to study the removal of the Project from the appropriate models. If SPP determines that changes have occurred that could render an NTC for an approved Project unnecessary, SPP will perform any necessary analysis and will, in consultation with stakeholders, determine if the Project is still required. Consideration of NTC withdrawal will take into account the stage of development of the Project and discussion with the Designated Transmission Owner.

If SPP confirms that an NTC Project is unnecessary, it will inform the TWG, MOPC, and SPP Board of Directors of this fact at their next regularly scheduled meeting and request approval by the Board of Directors, as necessary, to issue an NTC withdrawal.

* + After the Board of Directors approves of the NTC withdrawal, SPP will withdraw the NTC Project. If the NTC was due to a Service Agreement, then the NTC withdrawal shall not need TWG, MOPC, or SPP Board of Directors approval but shall be addressed by SPP Staff.
  + Within six months after receiving an NTC withdrawal, the Designated Transmission Owner shall notify SPP of any costs that it incurred prior to receiving the withdrawal of the NTC for reimbursement pursuant to Section VIII of Attachment J.

**Reporting:**

**Status of Upgrades Identified in the SPP Transmission Expansion Plan**

* On a quarterly basis the SPP shall post:
  + the status of the upgrades on the SPP website with the appropriate NTC identifiers
  + Any NTC(s) issued during the quarter
  + Any NTCW(s) issued during the quarter

**Format of a Notification to Construct and NTC identifiers**

To ensure proper and consistent documentation of approved Network Upgrades, a SPP NTC letter shall include, at a minimum, the following information:

* **NTC Information**
* The NTC is assigned a unique NTC Identification Number.
  + - NTC ID# convention, SPP-NTC-#
    - *Example*: SPP-NTC-1
* **Project Information**
  + Projects are assigned a unique Project Identification Number (PID).
    - Project ID# convention, SPP-PID-#
    - *Example*: SPP-PID-1
  + Projects consist of one or more Network Upgrades.

The Project name will generally describe the Network Upgrades associated with the Project.

* + Project Information will include an Estimated Cost and a Project Schedule, which will include at minimum the Need Date.
* **Network Upgrade Information**
  + Network Upgrades are assigned a unique Upgrade Identification Number (UID).
    - Network Upgrade ID# convention, SPP-UID-#
    - *Example*: SPP-UID-1
  + The Network Upgrade Description will provide a brief scope of the Network Upgrade.
  + Documentation of Network Upgrade Owner
    - SPP Member/facility owner(s) and Contact Information
    - Markets and Operations Policy Committee (MOPC) Representative
    - TWG Representative, if applicable
  + Categorization
    - Economic as a part of a Balanced Portfolio
    - Regional Reliability
    - Sponsored Upgrade
    - Service Upgrade
    - Zonal Reliability Upgrade
    - Other
  + Upgrade Specifications
    - Upgrade Type: Reconductor, New Construction, etc.
    - Voltage levels
    - Estimated Line Length and minimum required summer and winter rating
    - Transformer, minimum required summer and winter rating
    - Associated terminal equipment, minimum required summer and winter rating
    - Any other static equipment
  + Network Upgrade Justification
    - NERC Reliability Compliance
    - Regional Study reliability
    - Zonal criteria
    - Transmission service request – List Aggregate study number with reference to posted facility log
    - Economic
    - Other
  + Need Date
  + Network Upgrade cost estimate in present day dollars, date of cost estimate, and origination of cost estimate.
  + Cost recovery for Network Upgrade
    - Base Plan Allocated
    - Direct Assignment
    - Project Sponsor
    - Zonal
    - Regional
    - Other
* Documentation of Approvals
  + SPP Board of Directors approval date or reference to approved motion
  + Service Agreement number
  + Commitment details of Sponsored Upgrades.
* Documentation of Project History
  + The NTC will list any previously issued NTC ID numbers associated with the approved Network Upgrade or Network Upgrade change.
  + The NTC will include any related past NTC identification numbers to ensure proper documentation of the approval.
  + When the situation warrants issuing a new NTC, the new NTC will include past NTC numbers and information documenting the Network Upgrade change and party requesting the formally approved Network Upgrade change, rationale for the change and approvals for the scope adjustments.

Modifications of the approval are outlined in Section 8.

A Sample NTC for a Network Upgrade is provided as Appendix A.

**DISPUTE RESOLUTION**

Dispute resolutions should be handled as specified in Section 12 of the SPP OATT. If a dispute is filed the Customer that has service contingent upon the upgrade being completed shall be notified by SPP staff.

## 

## APPENDIX A: Sample NTC

SPP

Notification To Construct

|  |  |
| --- | --- |
| 415 N. McKinley, 140 Plaza West  Little Rock, AR 72205-3020  501-614-3220 • Fax: (501) 666-0376  **[SPP CONTACT]**  **[SPP CONTACT TITLE]** | **SPP-NTC-#** |

**[DATE]**

**[DESIGNATED TRANSMISSION OWNER]**

**[ADDRESS]**

*RE: Notification to Construct* ***[Approved Reliability Network Upgrades/Network Upgrades Pursuant to Transmission Service Request]***

Dear **[DESIGNATED TRANSMISSION OWNER]**,

Pursuant to Section 3.3 of the Southwest Power Pool, Inc. (“SPP”) Membership Agreement and Attachment O, Section VIII, of the SPP Open Access Transmission Tariff (“OATT”), SPP provides this Notification to Construct (“NTC”) directing **[DESIGNATED TRANSMISSION OWNER]**, as the Designated Transmission Owner, to construct the Network Upgrade**[s]**.

On **[DATE]**, the Southwest Power Pool (“SPP”) **[Board of Directors approved the Network Upgrade(s) listed below to be constructed]** OR **[concluded that the Project is required on the [DESIGNATED TRANSMISSION OWNER] system to fulfill Transmission Service Requests as detailed in Aggregate Facility Study SPP-200#-AG#-AFS-##] OR [Insert the appropriate reason to construct the Project if different than listed above]**.

**Project ID: *PID #***

**Project Name: *Project Name***

**Need Date for Project: *DATE***

**Estimated In-Service Date for Project: *IN-SERVICE DATE PROVIDED BY NETWORK UPGRADE OWNER DURING AGGREGATE STUDY***

**Estimated Cost for Project: *$###,###***

**Network Upgrade ID: *UID #***

**Network Upgrade Description: *Network Upgrade Description***

**Network Upgrade Owner: *Owner Information***

**MOPC Representative: *Representative Information***

**TWG Representative: *Representative Information***

**Categorization: *Regional Reliability / Zonal Reliability / Economic / Service***

**Network Upgrade Specifications: *Network Upgrade Specifications***

**Network Upgrade Justification: *Network Upgrade Justifications***

**Need Date for Network Upgrade: *Network Upgrade Need Date***

**Estimated In-Service Date for Network Upgrade: *IN-SERVICE DATE PROVIDED BY NETWORK UPGRADE OWNER DURING AGGREGATE STUDY***

**Estimated Cost for Network Upgrade (currrent day dollars): *$###,###***

**Cost Allocation of the Network Upgrade: *Base Plan Funded / Direct Assigned to Customer / Sponsored Network Upgrade / Other***

**Estimated Cost Source: *Network Upgrade Owner / Network Upgrade Sponsor/ SPP***

**Date of Cost Estimate: *MM/DD/YYYY***

**[In the event the NTC is a modification or withdrawal of an existing NTC, the following will be listed in addition to or instead of the above: Previous NTC number, Previous NTC Issue Date, and Reason for Change.]**

**Commitment to Construct**

Please provide to SPP a written commitment to construct the Network Upgrade(s) within 90 days of the date of this Notification to Construct, pursuant to Attachment O, Section VIII.6 of the SPP OATT, in addition to providing a construction schedule for the Network Upgrade(s). Failure to provide a written commitment to construct as required by Attachment O could result in the Network Upgrade(s) being assigned to another entity.

**Mitigation Plan**

The Need Date OR Estimated In-Service Date represents the timing required for the Network Upgrade(s) to address the identified need. Your prompt attention is required for formulation and approval of any necessary mitigation plans for the Network Upgrade(s) if the Need Date OR Estimated In-Service Date is not feasible. Additionally, if it is anticipated that the completion of any Network Upgrade will be delayed past the Need Date OR Estimated In-Service Date, SPP requires a mitigation plan be filed within 60 days of the determination of expected delays.

**Notification of Commercial Operation**

Please submit a notification of commercial operation for each listed Network Upgrade to SPP as soon as the Network Upgrade is complete and in-service. Please provide SPP with the actual costs of these Network Upgrades as soon as possible after completion of construction. This will facilitate the timely billing by SPP based on actual costs.

**Notification of Progress**

On an ongoing basis, please keep SPP advised of any inability on **[DESIGNATED TRANSMISSION OWNER]**’s part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires **[DESIGNATED TRANSMISSION OWNER]** to submit updates on the status of the Network Upgrade(s) on a quarterly basis in conjunction with the SPP Board of Directors meetings. However, consistent with Sections 20.1 and 32.10 of the SPP OATT, **[DESIGNATED TRANSMISSION OWNER]** shall also advise SPP of any inability to comply with the Project Schedule as soon as the inability becomes apparent.

All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to this Project, and nothing in this NTC shall vary such terms and conditions.

Don't hesitate to contact me if you have questions or comments regarding these instructions. Thank you for the important role that you play in maintaining the reliability of our electric grid.

Sincerely,

**[SPP CONTACT SIGNATURE]**

**[SPP CONTACT TITLE]**

cc: SPP COO, SPP Sr. VP Engineering & Regulatory Policy, SPP Director Transmission Policy, SPP Vice President of Engineering, SPP Director of Transmission Development, **[MOPC REPRESENTATIVE(S)]**, [SPPprojecttracking@spp.org](mailto:SPPprojecttracking@spp.org), **[TWG REPRESENTATIVE(S)].**

1. SPP Open Access Transmission Tariff, Attachment O, Section VI (6), page 300L. [↑](#footnote-ref-1)
2. <http://www.spp.org/publications/BOD%20Appendix%20B_simplified.xls> [↑](#footnote-ref-2)
3. <http://www.spp.org/publications/spp_tariff.pdf> [↑](#footnote-ref-3)