Recommendation for Western-UGP

• Recommendation to pursue formal negotiations with the Southwest Power Pool, a Regional Transmission Organization, concerning membership.

  – Federal Register Notice (FRN) published November 1, 2013 and is the start of the public comment period.
Kick-off Webinar Agenda

• Overview
  – Western Area Power Administration
  – Upper Great Plains Region
• Overview Integrated System (IS)
• IS History
• IS partners and Future Options
• AOS Study Considerations
• Where We Are Now and the Next Steps
• Meeting Locations
Our Power Comes From

- Hydroelectric energy produced at Federal generating agencies
- Multi-purpose projects
- Variable water availability
Where We Get The Power
Pick-Sloan Missouri Basin Program-ED

Congressionally Authorized Project Purposes:
- Flood Control
- Navigation
- Irrigation
- M&I Water Supply
- Hydropower
- Recreation
- Fish & Wildlife (includes endangered species)
Basin / Western / Heartland Integrated System (IS)

And Other Facility Owners:
Missouri River Energy Services
NorthWestern Energy
Integrated System & SPP Regions
Transmission Systems Historical Overview

- **1963**: JTS Created
- **1998**: JTS becomes IS under Western’s OATT
- **1995-2010**: Western facility costs part of MAPP Sch F tariff
- **2000-2008**: MAPP RTO Discussions
- **2006-2008**: Crescent Moon RTO-TRANSLink Discussions
- **2006-2008**: Mid-Continent Systems Group Discussions
- **2006-2008**: MISO Market Coordination Service/Market Integration Transmission Service
- **2011**: Charles River Study for the IS owners
IS Options for Future

IS Owners

Stand Alone

MISO

SPP

Other Facility Owners:
Missouri River Energy Services
NorthWestern Energy
Alternative Operations Study (AOS) Recommendation

Western Area Power Administration, Upper Great Plains Region, a power marketing administration of the Department of Energy, is publishing a recommendation to pursue formal negotiations with the Southwest Power Pool, a Regional Transmission Organization, concerning membership. Western is seeking public comment from Western’s customers, Tribes, stakeholders, and the public at large. A decision to pursue implementation of the recommendation is expected mid-December and will be posted on this website.

***NEWS FLASH***

The Federal Register Notice was published November 1, 2013.

The 45-day public comment period is open November 1 through December 16, 2013.

- Recommendation Support & Documentation
  - Federal Register Notice (270 kb pdf)
  - Customer Notification Letter (212 kb pdf)
  - Alternative Operations Study Summary (377 kb pdf)
  - Alternative Operations Study Recommendation (616 kb pdf)
AOS Study Methodology

Integrated System Business Model

- Trade Benefits (Nodal Analysis)
- Administrative Costs
- Transmission Expansion
- Capacity Benefits
- IS Transmission Revenue (Costs Shifts)
- Drive-Outs

Multi-Criteria Decision Analysis

- Marketing Plan & Rate Stability
- Agreements
Recommendation

• Studies have shown monetary separations between the options studied with the Join SPP option having more benefits. Multi-Criteria Decision Analysis showed a lower qualitative risk score for the Join SPP option.

• Western concluded that the potential benefits of the Join SPP option are significant enough for Western-UGP to solicit feedback from customers and other stakeholders regarding its recommendation to pursue formal negotiations with SPP regarding membership.
  – Western has appreciated SPP’s governance model which provides a collaborative approach to addressing Western’s and the IS owner’s concerns.
Current Status

• Federal Register Notice (FRN) published November 1, 2013 and is the start of the public comment period.

• November 19-21\textsuperscript{st}, 2013 – Public meetings

• December 16, 2013 – Public Process concludes
Next Steps

• December 2013/January 2014 –
  – Review customer comments
  – Decision whether or not to pursue RTO membership
  – Notify customers and stakeholders of decision

• January – April 2014 - Finalize membership/participation agreements.

• April 2014 – Sept 2015 – Complete operational preparations to participate as a full member of the RTO.
  – Anticipate SPP tariff changes & filing(s) at FERC
Meeting Locations

• November 19, 2013, 8:30 a.m. to no later than 1 p.m. CST  
  Holiday Inn Lincoln Downtown  
  141 North 9\textsuperscript{th} Street  
  Lincoln, Nebraska

• November 20, 2013, 8:30 a.m. to no later than 1 p.m. CST  
  Holiday Inn City Centre  
  100 West 8\textsuperscript{th} Street  
  Sioux Falls, South Dakota

• November 21, 2013, 8:30 a.m. to no later than 1 p.m. CST  
  Ramada Plaza Fargo Hotel  
  1635 42\textsuperscript{nd} Street South  
  Fargo, North Dakota
Questions