

# Kick-Off Webinar

## Alternative Operations Study Recommendation

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November 13, 2013



Upper Great Plains Region

# Recommendation for Western-UGP

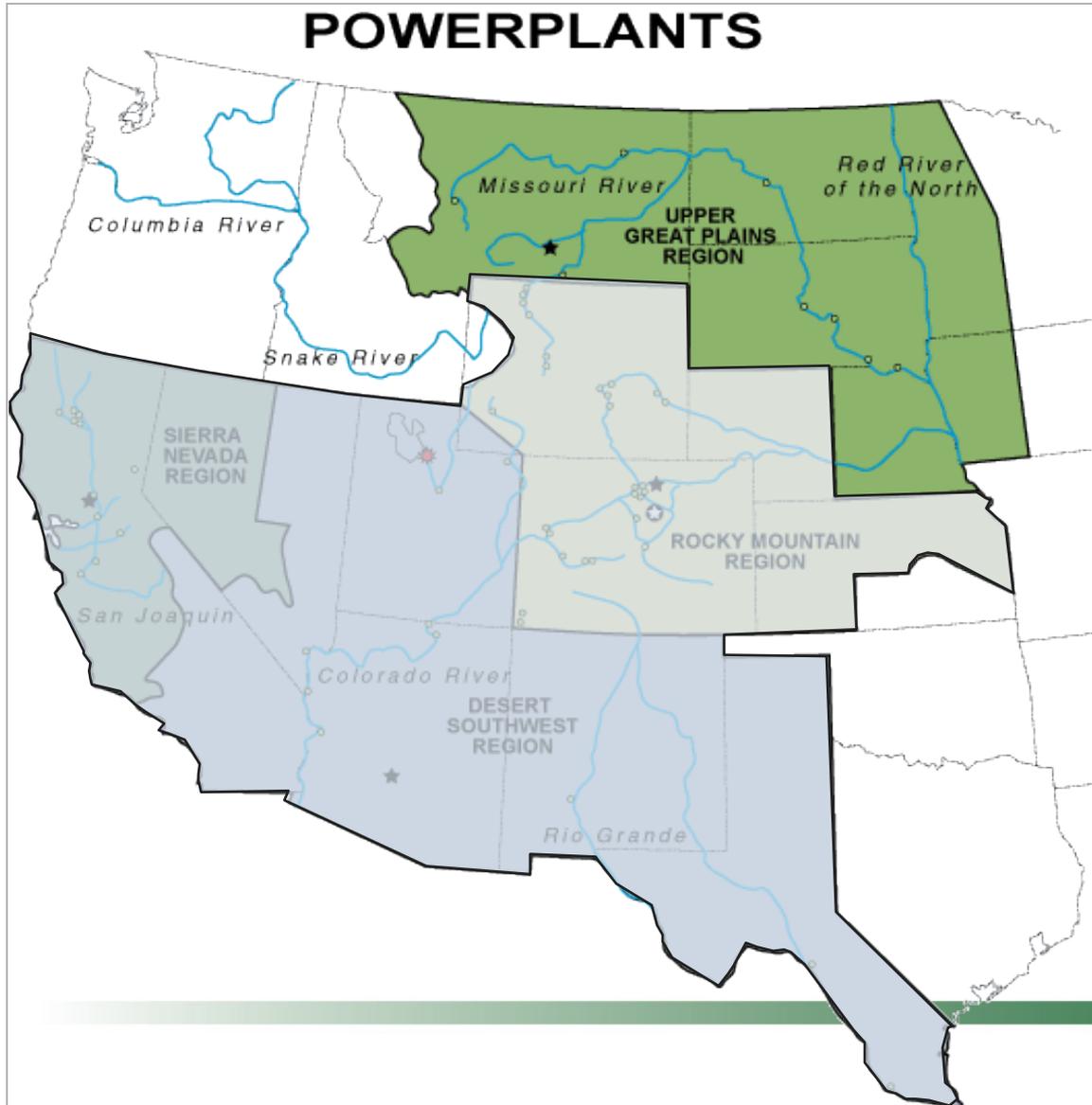
- Recommendation to pursue formal negotiations with the Southwest Power Pool, a Regional Transmission Organization, concerning membership.
  - Federal Register Notice (FRN) published November 1, 2013 and is the start of the public comment period.

# 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

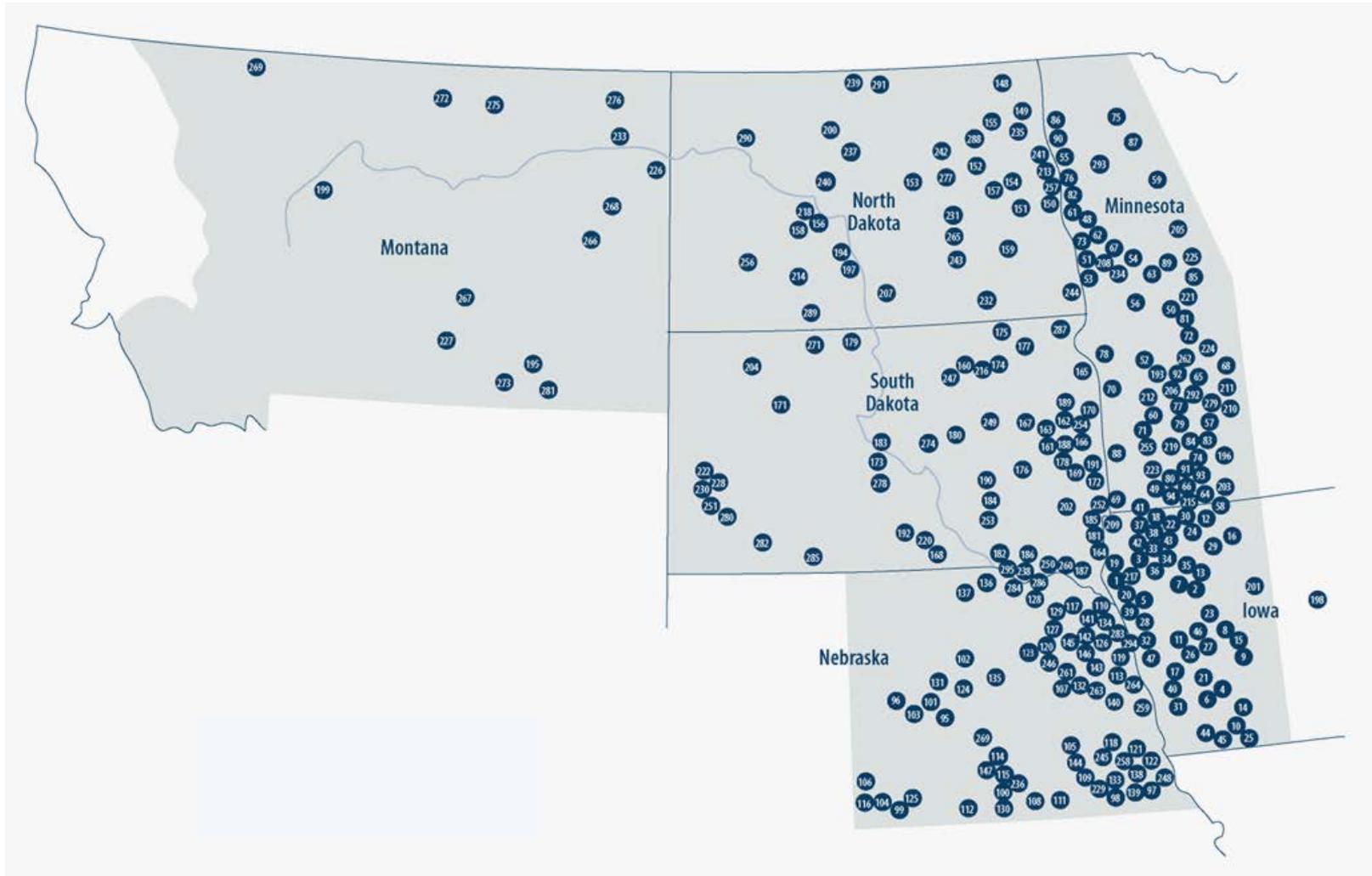
# Western Area Power Administration

Our Power Comes From



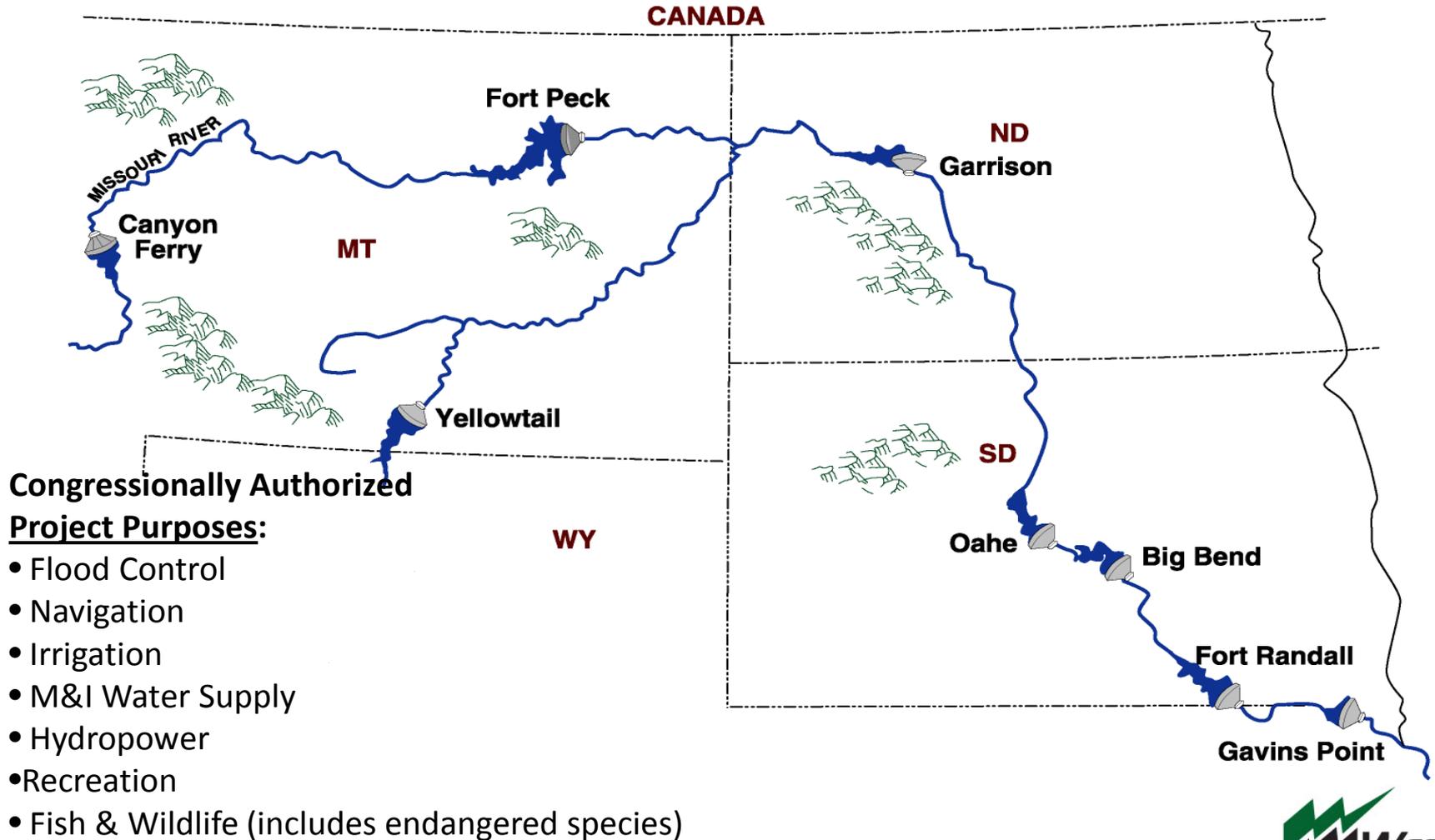
- Hydroelectric energy produced at Federal generating agencies
- Multi-purpose projects
- Variable water availability

# UGP Firm Power Customers

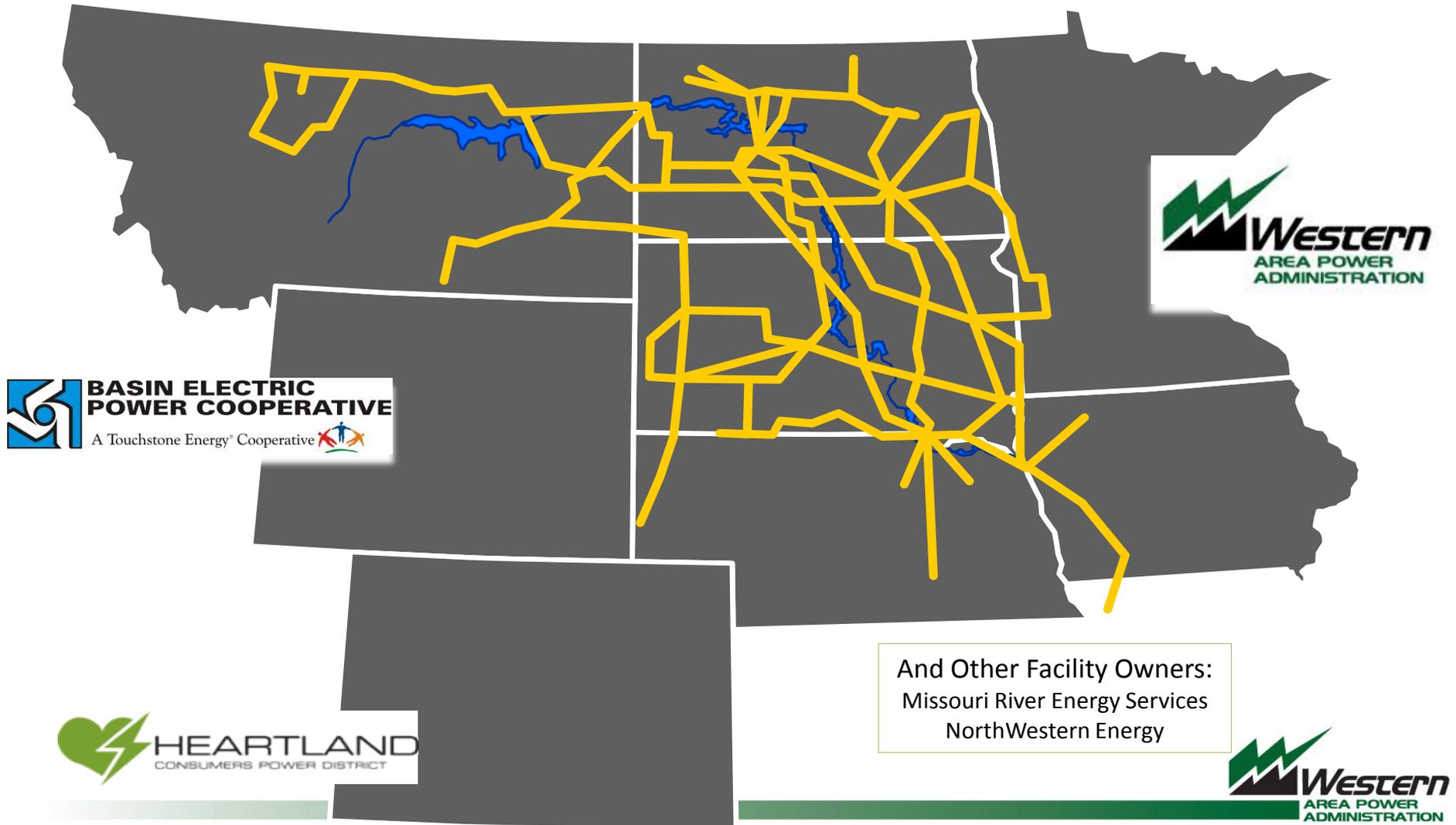


# Where We Get The Power

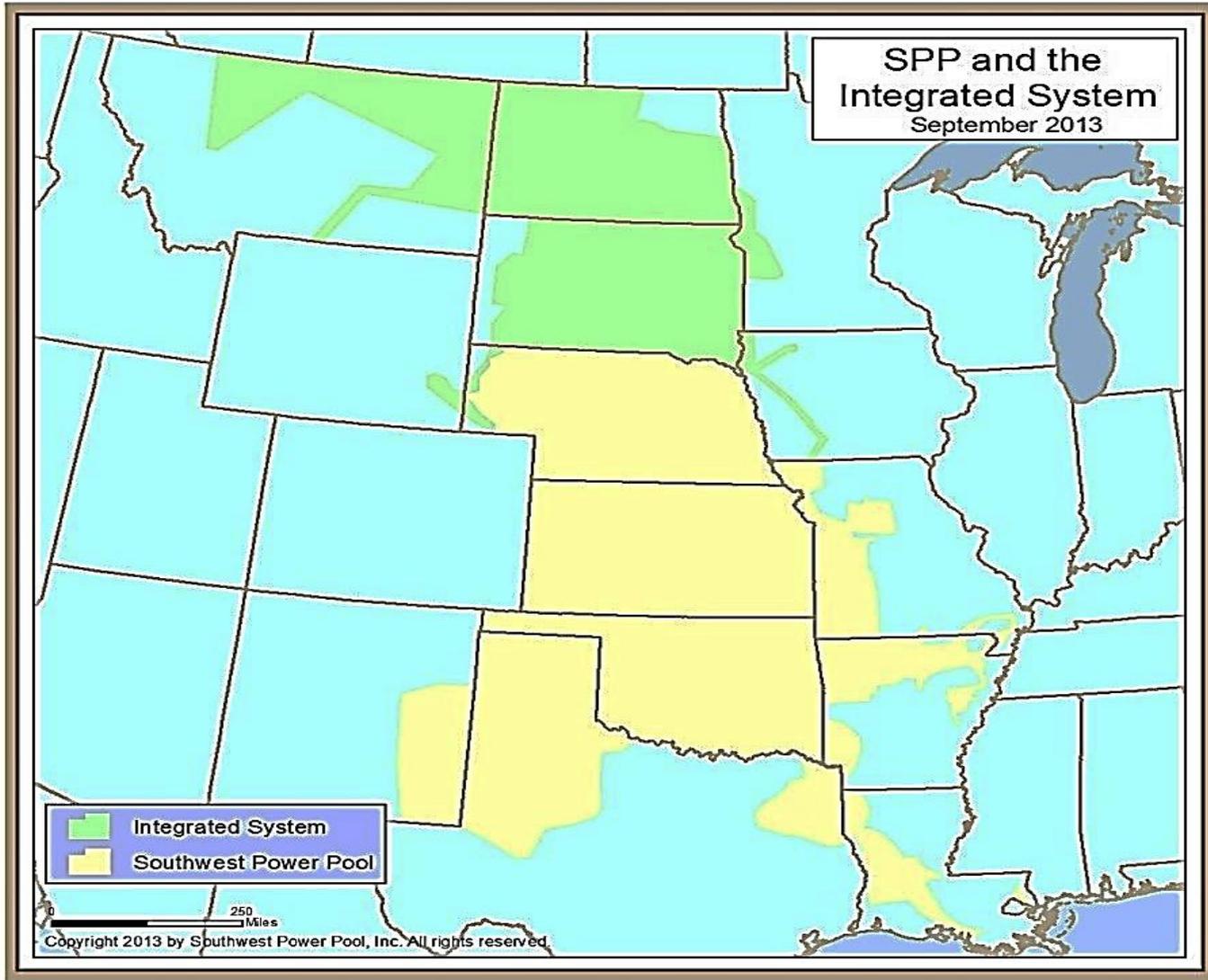
## Pick-Sloan Missouri Basin Program-ED



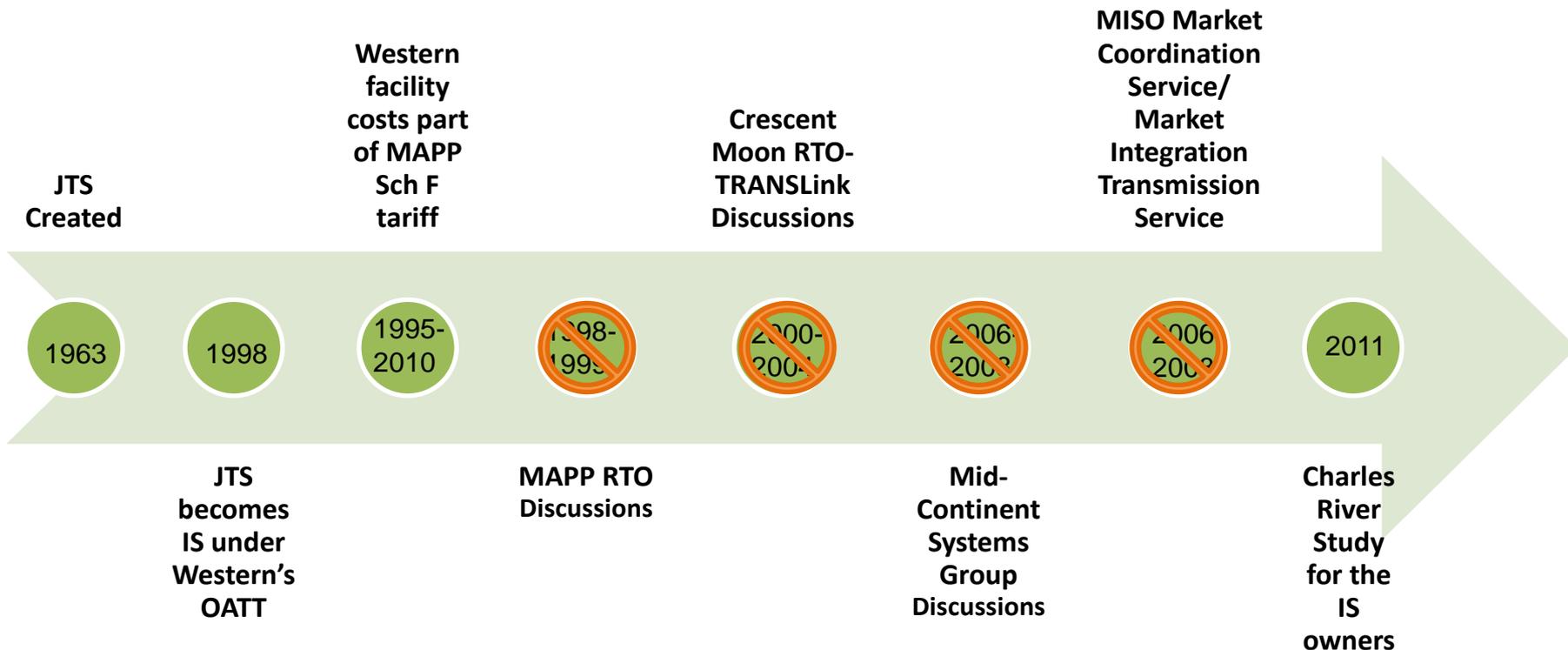
# Basin / Western / Heartland Integrated System (IS)



# Integrated System & SPP Regions



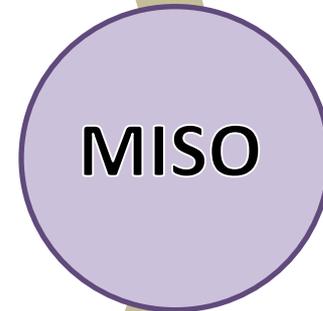
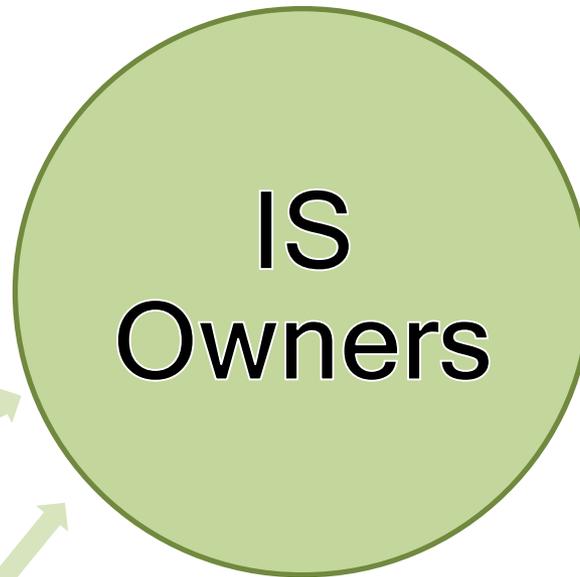
# Transmission Systems Historical Overview



# IS Options for Future



Other Facility Owners:  
Missouri River Energy Services  
NorthWestern Energy



# AOS Study Website



Western Area Power Administration  
Upper Great Plains Region

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## 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<sup>st</sup>, 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<sup>th</sup> 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<sup>th</sup> 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<sup>nd</sup> Street South  
**Fargo, North Dakota**

# Questions

