

Transmission Tariff

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November 15, 2021



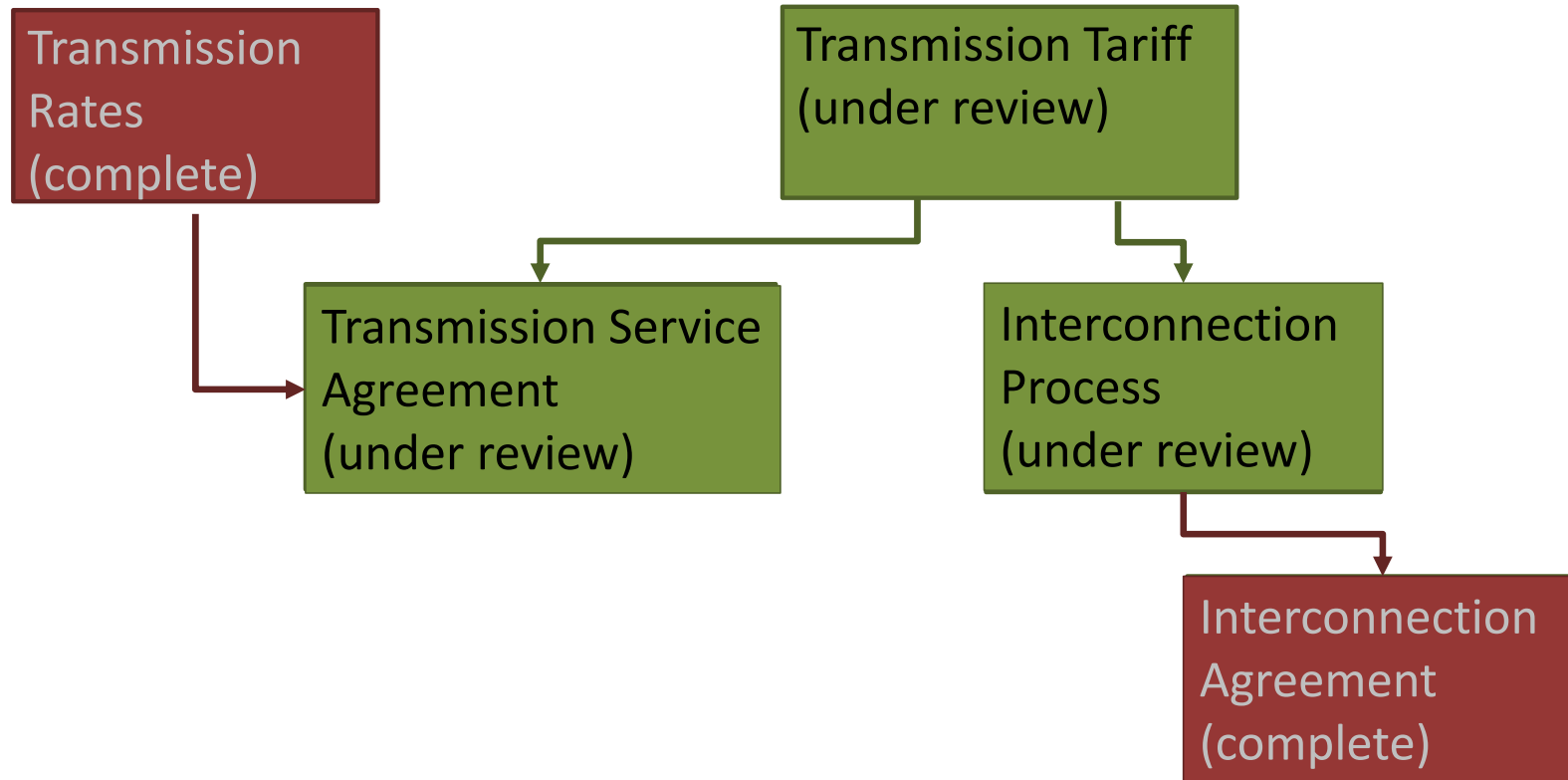
Why We're Here Today

No Action Required

- District transmission initiatives
- FERC tariff background
- Transmission service process
- Transmission tariff details
- Next steps



District Transmission Initiatives



District Transmission Initiatives

- *Transmission Rates—Board approved 2020*
- *Interconnection Agreement template—Board approved 2021*
- **Transmission Tariff—Board approval end of Q4**
 - Service requests, system model, study process, etc.
 - Generator interconnection process

FERC History

- Energy Policy Act 1992
 - Granted FERC additional authority to remedy discrimination, including by non-jurisdictional utilities
- Pro Forma Open Access Transmission Tariff (OATT)
 - Voluntary adoption by several LPPC members
- Energy Policy Act 2005
 - Simplified FERC's ability to address discrimination, including by non-jurisdictional utilities

FERC History (cont.)

- FERC's recent 211A actions (both in 2021):
 - Grant County Irrigation Districts and Grant PUD
 - Tennessee Valley Authority and its requirements customers
 - FERC statements in these two cases clarify that 211A does not create a new standard, FERC's exercise of authority is discretionary, and FERC will exercise it when necessary

Transmission Service Process

- Application—initiates process and reserves place in queue
- Assessment of Available Transfer Capability (ATC) and studies
 - Options available for partial service if insufficient ATC
- Service Agreement
 - Identifies type and duration of service, and applicable rates
 - Incorporates the tariff, which contains rates and detailed terms and conditions
- Interconnection service is requested, studied, and contracted through a separate process within the tariff

Transmission Tariff Highlights

- District transmission tariff based on FERC's pro forma tariff
 - Terms and conditions largely uniform for all customers taking particular type of service
 - Common information made available to customers and potential customers
- Transmission Customer cost responsibility:
 - Pay for studies required prior to service
 - Fund system upgrades to provide firm service
 - Stranded costs
- District responsibilities:
 - Expand transmission system to meet transmission customer requests
 - Use transmission system in comparable manner for wholesale power sales
 - Ensure uniform access to transmission system information to prevent competitive advantage

Next Steps

- Board approval of transmission tariff
- The approved tariff will be used for any new requests
- In 2022, begin mapping resources necessary for automating tariff processes

Appendix

Supplemental Information not part of public presentation

Transmission Tariff Details

Sections	Titles/Topics	Key Elements
PART I	Common Service Provisions	
Section 1	Definitions	
Section 2	Initial Allocation and Renewal Procedures	Rollover right for 5-year or longer firm contracts, with right of first refusal, but must accept longer duration if there is a new, competing request
Section 3	Ancillary Services	Specific services that must accompany transmission service, with self-supply option for certain services
Section 4	Public Website Postings	Transmission rules and practices and certain system information to be publicly available
Section 5	Tax Exempt Bonds	No requirement to provide transmission service that jeopardizes tax-exempt status of any bonds
Section 6	Reciprocity	Customer agrees to provide reciprocal transmission service to the District, if requested

Transmission Tariff Details (cont.)

Sections	Titles/Topics	Key Elements
Section 7	Billing and Payment	Invoicing and late payment provisions
Section 8	Accounting for the Transmission Provider's Use of the Transmission System	The District accounts for revenues from its own use of transmission system when setting rates
Section 9	Force Majeure and Indemnification	Customer indemnifies the District for actions resulting from District's performance
Section 10	Creditworthiness	Cites to details in Attachment L
Section 11	Dispute Resolution Procedures	Arbitration for unresolvable disputes
Section 12	<i>[Reserved]</i>	
Section 13	Changes to this Tariff by the Transmission Provider and Tariff Availability	Reserves the right of the District to unilaterally revise or withdraw the Tariff

Transmission Tariff Details (cont.)

Sections	Titles/Topics	Key Elements
PART II	Point-to-Point Transmission Service	
Section 14	Nature of Firm Point-to-Point Transmission Service	Describes reservation priority, curtailments, scheduling, District's use of transmission, Customer's responsibility for new facilities
Section 15	Nature of Non-Firm Point-to-Point Transmission Service	Describes reservation priority, curtailments and interruptions, scheduling, District's use of transmission
Section 16	Service Availability	District requirement to expand transmission system, contingent on Customer compensation
Section 17	Transmission Customer Responsibilities	Customer must meet Tariff requirements, pay for necessary facilities, provide data for planning
Section 18	Procedures for Arranging Firm Point-to-Point Transmission Service	Details on application and approval process

Transmission Tariff Details (cont.)

Sections	Titles/Topics	Key Elements
Section 19	Procedures for Arranging Non-Firm Point-to-Point Transmission Service	Details on application and approval process
Section 20	Additional Study Procedures for Firm Point-to-Point Transmission Service Requests	Criteria for System Impact Study, Facility Study, environmental review, with Customer responsible for study costs
Section 21	Procedures if the Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-to-Point Transmission Service	Parties explore alternatives, but if no reasonable alternatives Customer remains responsible for prudently incurred construction costs
Section 22	Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities	The District assists Customer, but is not responsible for arrangements for improvements on other systems
Section 23	Changes in Service Specifications	Addresses requests to change receipt or delivery points

Transmission Tariff Details (cont.)

Sections	Titles/Topics	Key Elements
Section 24	Sale or Assignment of Transmission Service	Allows transfer of service to an eligible customer
Section 25	Metering and Power Factor Correction at Receipt and Delivery Points	Customer is responsible for installing and owning metering, and allowing data access by the District
Section 26	Compensation for Transmission Service	Cites to rates in Schedules 7 and 8
Section 27	Stranded Cost Recovery	Permits the District to recover stranded costs
Section 28	Compensation for New Facilities	Assigns cost responsibility for new facilities to the Customer

Transmission Tariff Details (cont.)

Sections	Titles/Topics	Key Elements
PART III	Network Integration Transmission Service	
Section 29	Nature of Network Integration Transmission Service	Describes use of network service, including restrictions on use of network service for transmission to non-designated loads
Section 30	Initiating Service	Details on application and approval process
Section 31	Network Resources	Procedures for identifying network resources and operating requirements
Section 32	Designation of Network Loads	Procedures for identifying network loads
Section 33	Additional Study Procedures for Network Integration Transmission Service Requests	Criteria for System Impact Study, Facility Study, environmental review, with Customer responsible for study costs
Section 34	Load Shedding and Curtailments	Describes criteria and process for curtailments
Section 35	Rates and Charges	Billing determinant and stranded cost recovery
Section 36	Operating Arrangements	Describes Network Operating Agreement

Transmission Tariff Details (cont.)

Schedules	Titles/Topics	Rates recover costs related to:
Schedule 1	Scheduling, System Control and Dispatch	Systems for scheduling and dispatch
Schedule 2	Reactive Supply and Voltage Control From Generation or Other Sources	Reactive power supply from projects and other devices
Schedule 3	Regulation and Frequency Response	Reserve capacity to balance resources and load
Schedule 4	Energy Imbalance	Energy difference between actual and scheduled load
Schedule 5	Operating Reserve – Spinning Reserve	Reserve capacity to immediately respond to contingency
Schedule 6	Operating Reserve – Supplemental Reserve	Reserve capacity to respond to contingency in short period of time
Schedule 7	Long-Term Firm and Short-Term Firm Point-to-Point Transmission	Transmission system infrastructure for delivery
Schedule 8	Non-Firm Point-to-Point Transmission	Transmission system infrastructure for delivery
Schedule 9	Generator Imbalance	Energy difference between actual and scheduled generation

Transmission Tariff Details (cont.)

Attachments	Titles/Topics	Description
Attachment A	Form of Service Agreement for Firm Point-to-Point Transmission Service	Incorporates tariff and adds customer-specific details
Attachment B	Form of Service Agreement for Non-Firm Point-to-Point Transmission Service	Incorporates tariff and adds customer-specific details
Attachment C	Methodology to Assess Available Transfer Capability	Study methodology for determining posted ATC
Attachment D	Methodology for Completing a System Impact Study	Study methodology for assessing system impacts from transmission service requests
Attachment E	Index of Point-to-Point Transmission Service Customers	Posted list of point-to-point customers
Attachment F	Service Agreement for Network Integration Transmission Service	Incorporates tariff and adds customer-specific details and network service details

Transmission Tariff Details (cont.)

Appendices	Titles/Topics	Description
Attachment G	Network Operating Agreement	Technical and operational details for network service
Attachment H	Rate for Network Integration Transmission Service	Rate for network service, which cites to rate in Schedule 7
Attachment I	Index of Network Integration Transmission Service Customers	Posted list of network customers
Attachment J	Procedures for Addressing Parallel Flows	Cites applicable WECC reliability standard
Attachment K	Transmission Planning Process	Process for long-term transmission planning, including NorthernGrid's regional planning
Attachment L	Creditworthiness Procedures	Creditworthiness criteria and performance assurance requirements
Attachment M	Standard Large Generator Interconnection Procedures (LGIP)	Process for requesting and studying interconnection requests, and form interconnection agreements