# BL-12: DELEGATION TO THE PRESIDENT & CEO – TRANSMISSION, WHOLESALE ELECTRICITY, FUEL & OTHER ENERGY TRANSACTIONS – POLICY REVISION

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# SPP'S HILLS & CHILLS

**HILLS and CHILLS is SPP's large load initiative with a goal of speeding up interconnection**

**What is a HILL (High Impact Large Load)?** New or expanded commercial/industrial loads that are 10 MW or more if connected to ≤69kV line or 50MW or more if connected to >69kV

- Qualifying as a HILL is automatic and not optional (originally packaged by SPP as optional)
- A CHILL is a HILL that is conditional due to lack of generation to serve the load
    - CHILLs are subject to curtailment
    - CHILL must transition to a HILL within 7 years

**Purpose of process?** SPP will conduct typical load request studies plus additional supplemental studies for enhanced and more rigorous analysis due to their unique characteristics

**How is a HILL treated differently?**

- Additional fees and deposits are required for the new studies
- Ability to access conditional transmission service if needed (CHILL)
- Eligible for optional expedited generator interconnection service (HILLGA)

# OPPD’s & SPP’s Large Load Processes

**SPP’s HILLS and CHILLS is a small but important part of OPPD’s greater large load process.**

1) Potential large customers provide inquiry for OPPD service as part of its site selection/evaluation process, preliminary review by OPPD occurs (as applicable) and customer submits large load application

2) OPPD collects study deposits and fees

3) OPPD acting as the Transmission Customer for the large load, in accordance with its service territory under state law, applies to SPP to study the new load

4) OPPD and SPP conduct studies to evaluate load impacts on system
   - New HILLS and CHILLS studies incorporated into SPP’s current load studies
   - Additional studies only for large loads that qualify as HILLS or CHILLS

5) Large customer and OPPD execute agreements to facilitate interconnection of new load

# SPP OATT REQUIRES RERRA AUTHORIZATION

**SPP tariff was designed to avoid encroaching on the state's jurisdiction**

Open Access Transmission Tariff, Sixth Revised Volume No. 1 --> Attachment BA High Impact Large Load --> Attachment BA Section 1

**1. Introduction**

High Impact Large Load ("HILL") presents unique challenges, that could include a need for rapid load interconnection and a potential need to support the load with additional generation. This Attachment BA addresses the conditions that will allow Transmission Customers and Network Customers with authorization from their relevant electric retail regulatory authority to interconnect a HILL on a timely basis, while maintaining Transmission System reliability.

- SPP OATT states RERRA authorization is needed, but defers how they are authorized to the states
    - RERRA = The entity with jurisdiction over the prices and service policies for retail electric customers. OPPD's retail load RERRA = OPPD Board of Directors

- OPPD has a **statutory obligation to serve** customers

# RECOMMENDATION:
# REVISE BL-12 TO REFLECT SPP TARIFF CHANGES

BOD adopts Revisions to BL-12 Maintaining Current Delegation Process → Large Load Navigates OPPD's Large Customer Process → OPPD **As TC Submits** HILL Application to SPP → SPP & OPPD Conduct HILL studies → OPPD Authorizes HILL → HILL Completes OPPD's Large Customer Process → OPPD Includes HILL on Service Agreement

Status of HILLs & CHILLs reported quarterly to Board

# REVISED BL-12

## CEO is delegated authority over various energy transactions.

<u>**NEW:** Transactions and associated agreements necessary to facilitate compliance with Southwest Power Pool (SPP) interconnection of large loads under the SPP Open Access Transmission Tariff.</u>

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| Redline | **OMAHA PUBLIC POWER DISTRICT**<br>**Board Policy** | **Category:** | Board Staff-Linkage |
| | **Policy No. and Name:**<br>BL-12: Delegation to the President and Chief Executive Officer – Transmission, Wholesale Electricity, Fuel and Other Energy Transactions | **Monitoring Method:** | Risk Committee Board Report |
| | | **Frequency:** | Annually |
| **Date of Approval:** | October 15, 2015<br>April 13, 2017<br>[Insert Date] | **Resolution No.:** | 6082<br>6180<br>[Insert No.] |

The Board of Directors recognizes that the District has a need to manage the physical and financial related risks associated with a complex and volatile commodity market in order to ensure reliable, competitive, cost-effective and environmentally sensitive service for our customer-owners.

Therefore, the President and Chief Executive Officer (CEO) is delegated the authority to execute the following:

- Contracts to purchase and sell physical wholesale electricity, fuel and other commodities needed for the production of electricity.
- Transactions that enable OPPD's participation as a member of the Southwest Power Pool (SPP)
- Contracts to purchase and sell financial products related to energy and fuel as a means to manage price risks.
- Futures and exchanged-traded contracts for future delivery of commodities, forward contracts, and instruments as a means to manage price risks.
- Contracts for the transmission of electricity.
- Contracts for the transportation, delivery, storage, and balancing of energy resources.
- <u>Transactions and associated agreements necessary to facilitate compliance with SPP interconnection of large loads under the SPP Open Access Transmission Tariff.</u>

# NEXT STEPS

- Board approves BL-12 on September 17, 2026
- Update existing OPPD large load process to incorporate SPP large load process
- As applicable, OPPD submits HILL/CHILL applications as large load navigates the OPPD large load process and reports back to Board quarterly