

OPERATING RESERVE

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- That capability above firm system demand required to provide for regulation, load forecasting error, equipment forced and scheduled outages and local area protection. It consists of spinning and non-spinning.
 - BAL-001-2
 - BAL-002-WECC 3
 - BAL-002-3
 - BAL-003-2

DC TIES AND OPERATING RESERVE

- DC ties will be dispatched on a 5 minute basis and subject to direction reversal constraints
- Contingency reserve would require firm capacity set aside on DC ties
- Frequency Response
 - Synthetic response subject to ramp rates, ramp status and would require capacity set aside

NORTHWEST POWER POOL RESERVE SHARING GROUP PARTICIPATION

- Operates under BAL-002-WECC 3 requirements
- Lowers overall contingency reserve requirement
- Ensures NWPP RSG fleet response to contingency events

TRANSMISSION SERVICE AND DESIGNATED RESOURCES

- Can leverage designated resources in one interconnection to serve load in another
- Subject to available transmission capacity

SPP WEST NEW MEMBER PROCESS COST SUMMARY

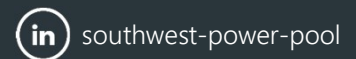
BRUCE REW

SENIOR VICE PRESIDENT, OPERATIONS

JULY 6, 2021



*Helping our members work together to keep
the lights on... today and in the future.*



COMMITMENT AGREEMENT COST RECOVERY

- Commitment Agreement integration and expense recovery includes the following:
 - Costs for Implementation from Commitment Agreement Execution through RTO Go-Live
 - Costs are determined based on SPP's standard process as was used for the SPP West RC and WEIS efforts
 - Interest on 4-year cost recovery period post go-live (assumed 3%)

FINANCIAL SUMMARY

Budget Category	Total (MM)
Salaries & Benefits	\$15.1
Travel, Admin, & Comm.	\$2.2
Outside Services	\$7.0
<u>Project Capital</u>	<u>\$5.8</u>
Total Project Costs	\$30.1
<u>Four year Interest</u>	<u>\$1.9</u>
Total with Interest	\$32.0